FOREIGN AFFAIRS

AN AMERICAN QUARTERLY REVIEW

JANUARY 1936

Government by Law	*C. H. McIlwain*	185
Safeguards to Neutrality	*Charles Warren*	199
European Kaleidoscope	*Gustav Stolper*	216
Two Internationals Find a Common Foe	*Ludwig Lore*	227
Italy, England and Africa:		
Can Italy Live at Home?	*Gaetano Salvemini*	243
The Struggle for the Nile	*William L. Langer*	259
The Strategy of the Mediterranean	*Admiral Sir Herbert W. Richmond*	274
The New Trade Policy of the United States	*Henry F. Grady*	283
Canada, the Empire and the League	*J. W. Dafoe*	297
Paderewski	*Lord Howard of Penrith*	309
The American Foreign Service	*G. Howland Shaw*	323
China Dethrones Silver	*H. B. Elliston*	334
The Peoples of Ethiopia	*Robert Gale Woolbert*	340
Foreign Treatment of American Creditors	*William O. Scroggs*	345
The "Miracle" of German Recovery	*George M. Katona*	348
Trends in British Elections	*Edgar Packard Dean*	351
Some Recent Books on International Relations	*William L. Langer*	354
Source Material	*Denys P. Myers*	369

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The articles in FOREIGN AFFAIRS *do not represent any consensus of beliefs. We do not expect that readers of the review will sympathize with all the sentiments they find there, for some of our writers will flatly disagree with others; but we hold that while keeping clear of mere vagaries* FOREIGN AFFAIRS *can do more to guide American public opinion by a broad hospitality to divergent ideas than it can by identifying itself with one school. It does not accept responsibility for the views expressed in any articles, signed or unsigned, which appear in its pages. What it does accept is the responsibility for giving them a chance to appear there.*

The Editors.

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FOREIGN AFFAIRS

Vol. 14 JANUARY 1936 No. 2

GOVERNMENT BY LAW

By C. H. McIlwain

THE one great issue that overshadows all others in the distracted world today is the issue between constitutionalism and arbitrary government. The most fundamental difference is not between monarchy and democracy, nor even between capitalism and socialism or communism, tremendous as these differences are. For even in any socialistic or communistic régime, as now in every bourgeois democracy, there will be rights to be preserved and protected. Deeper than the problem whether we shall have a capitalistic system or some other enshrined in our law lies the question whether we shall be ruled by law at all, or only by arbitrary will.

The prevailing system of private ownership is so old and has in the course of centuries become so entwined in most existing systems of positive law that it is a natural mistake to identify private property with law itself, and opposition to it with lawlessness. The agitator for a communist revolution, like the capitalist, is in danger of forgetting that law does something more than merely protect vested rights of property: in capitalistic states it is law alone that leaves the agitator free to preach capital's overthrow. If, then, we give an economic definition to conservatism and to radicalism, as is commonly done, it is not legitimate to identify constitutionalism with either. Under an arbitrary government, the radical agitator is as likely to find himself in a concentration camp as the capitalist, and under those arbitrary governments which are now fascist it is he oftener than anyone else who feels the brunt of government by arbitrary will.

The problem of constitutionalism, then, is everybody's problem, whatever economic or social system he may prefer. It is law alone that gives protection to rights of any kind in any individual, personal as well as proprietary, whatever form the state

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may take and whatever the nature of social control. In this world struggle between arbitrary will and settled law, it is true that liberalism and democracy are deeply involved. The triumph of will over law must mean the end of both. But our present crisis is not merely the crisis of liberalism or of democracy; it is a struggle for every human right against despotism.

II

Down to the eighteenth century political theorists usually drew a distinction which we in later times have slurred over — the distinction between despotism and tyranny. The former might be a legitimate form of government in which will was supreme; the latter was always to be condemned because its end was the good of the government, not of the governed. In the eighteenth century there were kings who were, or who thought themselves to be, "benevolent despots." The surge of democracy since the French Revolution has tended to destroy this distinction. To the average man the terms "despot" and "tyrant" have for a century meant practically the same thing. No government, we have thought, could be a good government if it was not "self-government." Now we seem to be reviving the old distinction. In the disillusionment of the war and its aftermath, and with the shipwreck of the nineteenth century's high hopes in laissez-faire democracy, the world seems to be turning in despair to despotism as the only solution for the problems with which democracy has suffered us — or, as some would say, has *caused* us — to be overwhelmed. There is probably no one who would not now admit that the hopes of the nineteenth century were far too high. Today the "idea of progress" seems to be nearly as extinct as the dodo. According to the late Professor Bury, this "idea of progress" is linked with secularism and has grown in proportion as a sincere belief in a world to come has faded. If this is true, then we may probably expect, as some of our religious leaders now do, a return to supernatural religion as one ultimate outcome of our present pessimism. But the immediate political outcome of that pessimism is a return to despotism. The former blind faith that democracy would bring the millennium, like the conviction so recently and so loudly preached that economic depressions could never recur, has been rudely shattered; but with a faith even more blind our world is now desperately trying to persuade itself that despotism is always benevolent. The amazing thing is that so large a part of the world

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seems to have succeeded in the attempt, in the face of examples of confiscation, persecution of religious belief, suppression of the press and free speech, and even murder. It may require further bitter lessons to prove the truth of Plato's conviction that after all a lawless autocracy is worse for mankind than even the feebleness of democracy.

This is no new issue, but probably never before in the history of the world has the fate of the race been so involved in its outcome as now. That it is at bottom an issue between law and will was never more clearly shown than in a startling dispatch from the Berlin correspondent of the London *Times*, dated July 5, 1935, which I quote in part:

> A principle entirely new to German jurisprudence has been introduced by the Penal Code Amendment Law, which was one of the batch of laws published by the Reich Cabinet on June 26 and is promulgated today in the official *Gazette*. It is that the Courts shall punish offenses not punishable under the code when they are deserving of punishment "according to the underlying idea of a penal code or according to healthy public sentiment (*Volksempfinden*)." If no penal code applies directly, such an offense is to be punished according to that law the underlying idea of which best fits it. . . .
>
> The principle that an act could be punished only if it was an offense punishable under the code was enshrined both in the penal code and in the Weimar Constitution. As a principle of German law it was centuries old. The result was that *ad hoc* laws or decrees had to be passed from time to time to meet new offenses.
>
> Dr. Hans Frank, Reich Minister without portfolio and former Reich Commissar for Justice, explains in a newspaper article that the new principle does not mean that anyone against whom a charge is brought in future in Germany is to be regarded from the outset as guilty, or that the rights of the defense will be impaired. The National Socialist State, he says, knows very well how to distinguish between criminals who are of thoroughly evil character and a pest to the community and small, harmless, everyday sinners. The Judge is not given unrestricted powers to condemn all and sundry in every case; he is invested with a proud power of decision which confers on him as representative of the National Socialist world-outlook and the healthy German public sentiment the rôle of a people's Judge in the finest meaning of the term. Dr. Frank declares the new law to be a landmark on the road to a National Socialist penal code.

Let there be no mistake as to the meaning of this. The principle "that what was not prohibited was allowed" is condemned and repudiated as a "Jewish liberalistic principle." Even where no penal code "applies directly" to an offense, that offense is nevertheless to be punished "according to that law the underlying idea of which best fits it." "The Nationalist Socialist State . . .

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knows very well how to distinguish between criminals who are of thoroughly evil character and a pest to the community and small, harmless, every-day sinners"! In other words, in order to be punishable an offense need not be against any law, and punishment for it requires no warrant of law. It is enough if it is against "the idea." Whose idea? How can anyone take seriously the explanation that this "new principle does not mean that anyone against whom a charge is brought in future in Germany is to be regarded from the outset as guilty, or that *the rights of the defense will be impaired?*" Doubtless no rights will be impaired, for from now on no rights exist.

It is probably fortunate that the unashamed frankness of the present German leaders has made the issue so plain to all the world. We may appreciate how galling this pronouncement must be to many liberal Germans when we remember how great a contribution Germany has made in the past to the theory of the *Rechtsstaat*. This is the repudiation of everything for which Germany has stood since the Thirty Years War. However, the present silence of Germans in Germany is easy enough to understand. What is harder to account for is the apparent acquiescence of the outside world. Startling as this repudiation of law is, it seems to have startled nobody. I have seen little comment on it, favorable or unfavorable. We are no longer even surprised at events or at political doctrines which would have been shocking if they had been thinkable in the western world a bare score of years ago. This easy complaisance is the measure of our common danger.

Pronouncements like the one quoted above bring into stronger relief the opposing doctrine which underlies the recent decision of the United States Supreme Court in the Schechter case, and they enable us better to understand the true significance of that case and the principle on which it is based. Surprise has been expressed that the "liberal" justices joined with the rest of the court to make the decision unanimous. To some it has seemed strange that a judge who sincerely believes that only a federal authority can effectively perform the essential services involved in this case, should nevertheless join in a judgment which denies it the power to do so. Such critics overlook the fact that it is not merely the specific power to regulate commerce which this case involves, nor the definition of what is and what is not interstate commerce. The ultimate question is far deeper than that. How-

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ever necessary, however beneficial such a power may be, if *ultra vires* it must be disallowed.

Reformers are naturally irritated when comprehensive plans of social betterment are thus wrecked, apparently on the rocks of mere legalism; but in their irritation they may be overlooking what the alternative means. Government without or beyond law is despotism, and it is none the less despotism because it is benevolent. As Saint Augustine declared, judges may not judge *of* the law, but only *secundum legem*. The laws may be those of "the horse and buggy era," but, as Lord Bacon said, "Judges ought to remember that their office is *jus dicere* and not *jus dare*." The justices of our Supreme Court have remembered it. When judges cease to do so it will be but a short step further to say, "If no penal code applies directly, such an offense is to be punished according to that law the underlying idea of which best fits it." In order to prevent that it may be worth while *temporarily* to forego even needed reforms. I say "temporarily," because obsolete laws should be changed, and that right speedily, but the judges have no commission to do it. Present criticisms of our highest court, and proposed constitutional amendments affecting its authority to review legislation, call to mind the case of Chief Justice Herbert at the time of the English Revolution. Unlike our American judges, he had upheld a discretionary and arbitrary power instead of denying its legality, but the underlying principle in the two cases is identical. No more dangerous power could easily be imagined than the dispensing power which the court had upheld in this case, and none was ever more outrageously exercised than this had been by James II. Yet the reply of the Chief Justice to his critics seems unanswerable: "When we were to give judgment in Sir Edward Hales's case we could neither know, nor hinder if we did, any ill use the King might make of this power; we were only to say upon our oaths, whether the King had such a power or no." Readers of Macaulay need not be reminded that this, as well as my interpretation of it, is the rankest heresy. This may not be the only part of our orthodox historical creed needing revision in the light of recent developments in continental Europe.

The modern school of sociological jurisprudence have done a very great service, but there is very great need to limit their teachings to their proper sphere. The only alternative to despotism is constitutionalism. Call this mere legalism if you will, and admit to the full the unfortunate obstructive delays that

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legalism sometimes involves. But let us not close our eyes to the alternatives. We must choose one or the other. Dr. Frank and the Nazi leaders in Germany have seen these alternatives more clearly than we, and they have deliberately made their choice for will against law. Dare we make the same?

To make all this perfectly clear, allow me to quote one or two further paragraphs from Dr. Frank's article in the *Zeitschrift der Akademie für deutsches Recht*, referred to above in the dispatch of the London *Times* correspondent:

> National Socialism, conscious of its creative power in all spheres of the iron laws of national life, racial theory, and authoritarian government, practically found no formulated ideas or generally recognized conceptions of organization in the field of law. Law, for many decades, had been a subject of rationalist thought exclusively treated on the principle of technically polished logic. It was the school of Roman Law jurisprudence that had replaced direct service to life with service to abstractions, with the result that the substance of juridical thought and science, no less than the personalities professionally connected with law, led a life of isolation, hardly understood by the people and rarely regarded with respect, never with sympathy. . . .
>
> The German Academy of Law, consequently, is the corporative representative of the German conception of law which considers the common weal the sole standard of its work, definitely doing away with former schools: the schools of natural law, of historical law, of the sociological theory of law whose destructive materialist tendencies it regards as least fitted for German justice. Service to the vital necessities of our people, not service to theories, is the ideal of the German guardians of law. In this sense the Academy of German Law will develop the Aryan conception of justice, thus contributing to the progress of our entire European civilization.

Thus German, or "Aryan," justice is something different from what the world has known since the time of Plato and Aristotle and the Roman lawyers, and something vastly better, based not on universal reason or "polished logic" but on the will to serve tribal ideas. This is indeed, as the *Times* correspondent says, a breach of the Weimar Constitution and of all German conceptions of law held for centuries. It is more than that. With a relentlessness that may remind some of us of German methods in the Great War, the Nazi leaders have broken with the cultural development of two thousand years and more, with Jewish and Christian morality as well as with Latin law and tradition. In all these, "racial theory and authoritarian government found no formulated ideas or generally recognized conceptions of organization." So all must go, law must be remade, and a new history written.

To see what this would mean for us it is necessary to remember

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how long and how difficult has been the "struggle for law" — to use the words of the title of one of von Ihering's books — the struggle between despotic will and constitutionalism. Juries not answerable for their verdicts, writs of *habeas corpus*, the condemnation of *ex post facto* laws, judges with independent tenure, strict definitions of treason, rigid enforcement of the rights of accused persons — every one of these would require a volume to trace its history, and in some cases that history would extend backward for hundreds of years, through revolution and civil war. Yet not one of them is compatible with the Nazi ideal. If it persists they must all go, and much more with them. Are we willing to give up these hard-won gains in return for the "direct service to life" of a despotic *Führer*, benevolent or otherwise? This is the question. All others are insignificant in comparison.

But if we ever hope to give a true answer to such a question, we must try to understand why it has been asked. I have made no effort to conceal my own preference for constitutionalism and even for democracy. Nevertheless we must not condemn unheard this deliberate repudiation of them both. When a great cultured nation like modern Germany suddenly turns its back on the principles it has been among the foremost in teaching for hundreds of years, there must be a cause and it must be a cause lying far deeper than the mere mentality of the present German leaders.

III

To President Wilson in 1917 the problem was whether the world could be made safe for democracy. Now it seems to be whether democracy can be made safe for the world. It is even more fundamental than that. As I have tried to show, it is a question whether constitutionalism itself can or should persist, or whether we shall turn away from the political teaching of two thousand years and welcome a revolution which would make the French Revolution pale in comparison. Can liberalism, can democracy, can even constitutionalism, be made safe for the world? If a poll had been taken on that question as recently as fifteen years ago it seems probable that the answer would have been in the affirmative. It is doubtful if it would be today.

Democracy on a great scale is a relatively new thing in the world. It has not yet reached its two hundredth birthday. Practically no great statesman or political theorist ever had a good word to say for it before the French Revolution. Its vogue began

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with that revolution, yet it now seems to many to have failed in its first great test; they are tempted to throw it over for an older and more effective form of state organization, for a despotism which they pray may be benevolent. To some of these men one proof of the failure of liberalism, democracy, and even constitutionalism lies in the social dislocation which has followed the Great War; to others liberalism and democracy are unacceptable because they were unable to avert the war itself. On any other basis than this it is hard to account for the acquiescence of thousands if not millions of intelligent and liberal men in many recent acts and policies, unspeakably arbitrary and oppressive in character, on the part of their national governments. Faced with the hateful alternatives of disorder or despotism, they have chosen the latter as the lesser evil. It is not the first time in the history of the West.

To one who looks on the whole of that history since mediæval times it does not seem strange — whatever may have been the form of our governments — that we have failed thus far in solving the unprecedented problems of our new world. Such an observer knows that today the population of a single European country like France or Germany is probably larger than that of the whole of Europe less than three hundred years ago. He recognizes that the wholesale industrialization of this huge mass has inevitably brought forward problems unthought of before in the ancient, mediæval, or modern world, problems to which old formulas can never be fitted. But the average man takes little account of these things. He is rightly impatient with existing conditions, and it is his voice that counts. However liberal he may be, he is influenced by the apparent failure of liberalism as a solution of his problems, and may even be willing in the long run to entrust his fortunes to King Stork instead of King Log.

Those who still cling to a belief in the essential soundness of democratic institutions and who hope for their future cannot afford to ignore these ugly facts. It will not do any longer to wave them aside, or to treat them lightly as the results of an economic depression soon to pass. The future historian will smile at so shallow an explanation of the history of the last dozen years or more in Italy, Germany, the Balkans and Spain, or even in the United States and England where democracy is not an exotic. The causes of these things did not arise suddenly in 1918 or in 1914. The crisis of the war and its aftermath of dislocation un-

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doubtedly brought them to an issue, but their true causes are older, deeper, and more lasting. It is plain that if democracy is to persist it must become more effective and less corrupt than it has been for a long time past. Those who believe its feebleness and graft are only incidental and not essential must lose their case if they are unable to point to some means of purging these evils short of revolution or despotism. For purged they must be.

From ancient times the standing objection to democracy has always been its ineffectiveness, and it is still its greatest defect. An arbitrary government may permit corruption, but a feeble government invites it. The lessons of history are not to be hastily drawn, and most so-called "historical parallels" are dangerous. It is not strictly true that "history repeats itself." Yet a student of history may be warranted in thinking that in the past weakness has probably caused the fall of more governments than wickedness. An unjust ruler is hated by his subjects, but they usually tolerate him longer than one incapable of preventing injustice in others. The King must have an abundance of power, says a great political writer of the thirteenth century, if he is to maintain peace and justice. Machiavelli believed that it was less dangerous for a government to be bad than to be contemptible. One need not be a fascist to admit that fascism would very likely never have gripped Italy if the preceding parliamentary régime had not become contemptible.

Probably no form of political and social control ever tried in Europe has embodied higher ideals than the feudalism of the later Middle Ages. Yet it was replaced by strong monarchies many of which became despotisms.

In times of disorder men care more for order than for liberty. In this respect the transition from fifteenth to sixteenth century Europe seems to show a parallel to conditions existent today in at least some European nations. There was then for a time the same indifference to liberty but a passionate desire for order and a willingness to render unquestioning obedience to the only authority capable of maintaining it. In France the despotism of Louis XI can be explained only by the feebleness of the rule it replaced. In England we cannot account for the sufferance of "Tudor absolutism" except in the light of the feudal anarchy of the fifteenth century. From 1215 to the present we hear constant appeals to Magna Carta, the "palladium of our liberties" — save in one period alone, the era of the Tudors. From 1485 to 1603 there is

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scarcely a mention of it, and even at the end of the period Shakespeare wrote his *King John* without a reference to it. To Simon Fish, writing in 1529, the barons of 1215 were simply rebels fighting against "a rightuous Kinge," "forbicause that he wolde haue punisshed certeyn traytours." Since the sixteenth century it has not been usual to regard John as a "rightuous Kinge." It seems strangely true that each age will reconstruct the past in its own image: if so, we may expect some peculiar history to come out of Germany in the near future.

Thus we have foreshadowed the most pressing problem of modern government — the preservation of the delicate balance between order and liberty, so that the former may not turn into oppression nor the latter into license. Can it be done? One thing at least seems clear from both recent and earlier history. The democracies of the present world, if they are to succeed, must become less contemptible than they have been; that is to say, they must become more competent. Disorder in the past has always been overcome by a concentration of power. It can be overcome by no other means now. At his coronation the mediæval King swore to preserve order and maintain justice. It was his comparative success in doing so that explains the long continuance of monarchical government since feudal times; and he could never have succeeded in it if the statement accredited to Louis XIV had not in some sense always been true: *L'état, c'est moi*. But by the eighteenth century the strong constitutional monarchy in France had degenerated into the personal one which resulted in the Revolution. The serious problems of today require the same concentrated power that enabled the mediæval King to enforce his peace in times of disorder; but as that King was "under the law that made him King," in Bracton's phrase, so our modern governments must also have their legal bounds. We must have power; but we need safeguards against its wrongful extension or abuse if it is to remain constitutional and not become despotic, as it became in France before 1789 or as it is now in the German Reich. The powers of our governors should be great, yet they must be limited. If so, *Quis custodiet ipsos custodes?* Who is to have an eye on those governors themselves? Who shall determine when they have overstepped the bounds of the law which at once confers and defines their authority? Who, if not those technically qualified and duly constituted to interpret that law?

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IV

Two historical fallacies have obscured the answer to this important practical question. One is the unwarranted notion that we here in America were the first discoverers of judicial review. The other is the theory so brilliantly set forth by Lord Bryce, and especially by Professor Dicey, that in England, the main source of our political conceptions, there was no constitution which the sovereign parliament could not override. Neither of these assumptions will bear the light.

As to the first: judicial review, instead of being an American invention, is really as old as constitutionalism itself, and without it constitutionalism could never have been maintained. In France, for example, the long history of the Parliament of Paris is a struggle for judicial review against arbitrary government. True, it was a losing fight — if it had not been, the Revolution would not have come on in 1789 — but it is none the less important for that. When Louis XI cowed his Parliament by force it was felt to be a usurpation, and all the great French constitutional lawyers in the next two centuries admitted the fact at least by implication. If the Parliament refused to register a royal ordinance, as it frequently did, there was always the same reason for this refusal: the qualified interpreters of the law considered the act as *ultra vires*. They were merely putting into practice the same fundamental theory of constitutional government recently applied in the Schechter case by our Supreme Court, or asserted in England in the early seventeenth century by Sir Edward Coke when he reminded James I that the King in person could pronounce no judgment in his courts even though they were his courts.

All such facts seem to rest on three necessary assumptions: first, that there is a fundamental constitution; second, that its interpretation rests with the judiciary; and third, that judges have an authority only, in the words of Lord Bacon, "to interpret Law, and not to Make Law, or Give Law."

Our own American judges who thought to avert civil war by political *obiter dicta* certainly did not make a notable success of it; and Clarendon tells us that it was similar *dicta* concerning the royal prerogative in the Ship-money Case which stirred up the popular discontent resulting in the English civil wars of the seventeenth century, rather than the mere decision in favor of the King. In 1788 or 1789, by ratifying a written constitution which

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reserved all unenumerated powers "to the States respectively or to the people" and which in a "bill of rights" expressly forbade certain governmental infringements of individual liberty, we in America merely made our fundamental law more explicit. We added nothing really new. The fact that judicial review was not debated in the constitutional convention of 1787 means little. Judicial review was taken for granted, and as soon as settled government was established under the new constitution, it inevitably emerged, as it always must if a constitutional régime is to persist at all.

But judicial review implies a fundamental constitution to be reviewed, and this means a set of rules not made by the sovereign authority subsisting under that constitution, nor subject to his will. Such rules have existed and must exist in any state worthy of the term "constitutional." It is true enough that statesmen have not always clearly grasped this fact. Misinterpreting the real nature of the English Revolution, a few misguided ones in the eighteenth century tried in the case of Englishmen overseas to violate political traditions which they would never have dared touch at home. The loss of a great colonial empire was the result. The fictitious character of the doctrine of the omnipotence of parliament is now explicitly admitted by the recent Statute of Westminster in imperial matters, the only important field in which it has ever been exploited. In internal matters, in England itself, there are many fundamental rights of the subject that parliament in modern times has never dreamt of infringing and could only infringe at the cost of revolution.

The true glory of England's institutions lies not in her representative parliament, but in the fact that through it she has preserved her ancient liberties and made them more secure and more general. It has been her unique good fortune that her traditions of free government are so old and so firm that they have never been overturned or seriously interrupted. Thus no formal written constitution has ever been needed, as on the Continent or in North America; the possibility of revolution remains the only sanction of constitutionalism. Our amendable constitution offers a milder alternative. Of course it would be absurd to say that modern English parliaments have never exercised an arbitrary power over subjects. National crises always breed popular hysteria. The treatment of the so-called "delinquents" by the Long Parliament smacks suspiciously of Dr. Frank's "healthy public sentiment" rather than of law; and such things did not

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end at the Restoration or the Revolution. On the whole, however, they became progressively fewer, so few in recent times, in fact, that one likes to think they never can recur. Like some legal fictions, the political fiction of the omnipotence of parliament may possibly serve some useful purpose. It is dangerous only when it is mistaken for a fact. Among free peoples such fictions persist only so long as they are unreal enough to be harmless.

V

The limits of a single article are too narrow to permit further historical illustrations, and I must be content with a rather bald résumé of a few of the practical conclusions which seem to me to be deducible from the history of constitutionalism. If, as I have insisted, the problem consists in making constitutionalism safe for the world, one method is suggested by the recent tendency toward autocracy. It must fit itself to "serve the vital necessities" of the people, in Dr. Frank's phrase, and to compete successfully with dictatorships in so doing. Otherwise dictatorships are likely to replace it. To serve these necessities democratic government must have something of the strength, the decision, and the independence that a dictator enjoys.

In the United States such a concentration of power as this implies would of course be legally impossible without some amendments to the Federal Constitution; and the reformers are justified in demanding such amendments. These would strengthen the authority of law, for they would provide legal means of securing what men believe that justice demands. Under our vast new industrial system it is felt that the old guarantees of "life, liberty, and the pursuit of happiness" must include more than they did under the simple rural economy of 1776 or 1787. They must protect men against peonage as well as against prosecutions; they must do more than merely make them equal before the law. These things are so necessary that they will be done somehow. True liberty will be conserved if they can be done constitutionally and within proper limits. If our exaggerated system of checks and balances stands in the way, then that "system" should be altered by amendment.

In his recent book our ex-President has advocated a wholesale return to all those time-worn checks as a cure for our present "mediæval" regimentation. To make such a proposal in all

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seriousness one must be almost as oblivious of the causes of our present miseries as of what actual conditions were in the Middle Ages. We have indeed been illegally regimented in some cases, and fortunately the Supreme Court has so found; but we must devise legal means to end the abuses which provoked this regimentation, or worse is likely to follow. And it is under the shadow of these very checks and balances that some of the worst of these abuses have sprouted and flowered. When, for example, we see one branch of our government, under pressure from a selfish minority, passing a bill they know to be vicious in the secret hope that another branch may nullify their action, we have the very *reductio ad absurdum* of all government and an end of all true responsibility. Where responsibility cannot be fixed, corruption will inevitably spread and the interests of greedy minorities are sure to supplant the common weal. But there can be no responsibility without power and there should be no power without responsibility. Government, if it is to be honest and impartial and effective, needs to be restricted; but it must not be weakened. The principle of the separation of powers, valid and necessary if restricted so as to mean merely the independence of the judiciary, when extended too far into the spheres of legislation and administration becomes a menace and an open invitation either to illegal usurpation or to actual revolution.

True constitutionalism, from mediæval times to our own, has never meant government enfeebled by divisions within itself; it has meant government limited by law. None but reactionaries will insist that this law shall remain forever fixed and immovable regardless of economic and social development. The true conservative will admit the need of changes if they are sound and constructive. Indeed, he should welcome them, because they will heighten and not lessen respect for law itself. The one thing he can never safely tolerate is to see law undermined, even under the guise of Dr. Frank's "healthy public sentiment." Against such insidious encroachments of despotism our chief reliance must remain what it has always been: a fearless and impartial interpretation of law by a free and independent judiciary. Our problem today, in a word, is to make needed changes in the laws, but always to keep them law.

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SAFEGUARDS TO NEUTRALITY

By Charles Warren

TO THOSE who regarded strict neutrality as an effective means of keeping the United States out of war I addressed an article in FOREIGN AFFAIRS for April 1934, entitled "Troubles of a Neutral." In it I tried to point out that maintenance of neutrality was no simple or easy matter; and that it must be supplemented by further legislation, and by the concession of alleged rights hitherto claimed by us, if we expected to avoid the frictions and controversies with belligerents which, judging from our experience in the World War, would inevitably occur in a future war. I pointed out twelve distinct subjects of legislation, which, based on my official experience from 1914 to 1917, I deemed necessary for the more effective preservation of our neutral status as a nation; and I stated that "it is better that our citizens should run the risk of commercial loss than that the country should be involved in a war to protect their alleged commercial rights. . . . Our Government may very properly say, in effect, to its citizens during the war: you engage in such trade at your own risk." Since 1934, the widespread and enhanced interest in the subject has resulted in the recent Joint Resolution of August 31, 1935, in which five of the subjects to which I called attention in my article have been more or less adequately dealt with.

On October 5, 1935, the President of the United States, acting under this Joint Resolution, after proclaiming the existence of a state of war between Ethiopia and Italy, established an embargo on arms, ammunition, and implements of war, and notified American citizens that they travelled on any vessel of a belligerent nation at their own risk. In addition, he issued a notable statement, announcing a new policy for the better safeguarding of our neutrality, in which he said: "In these specific circumstances, I desire it to be understood that any of our people who voluntarily engage in transactions of any character with either of the belligerents do so at their own risk." The President took this step, not under any statutory authorization or direction, but in pursuance of one of his Executive functions — namely, that of deciding whether, through the State Department, he will or will not present claims of American citizens against foreign nations. His policy is based on a firm principle, to wit, that the right of the nation to keep out

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of war is greater than the right of a citizen to engage in trade which might implicate the nation in war. It recognizes that new conditions of warfare have made necessary a new attitude towards actions of our citizens. The end sought is to keep the nation rather than the individual out of trouble.

Criticism of this policy has taken several forms. First, exporters and others have claimed that it would destroy trade with a belligerent. But the President's statement does not ban or abolish trade in contraband or otherwise; it simply informs traders that if they wish to seek profits out of a war, they may do so, but that in doing so they need not expect their Government to support them and to involve itself in dangerous international controversy in defense of their trade profits. As Professor James Brown Scott has recently well phrased it: "The President has recognized that insistence upon the so-called neutral right to make profit from other peoples' wars, results in other peoples' wars becoming our wars." Moreover, it is nonsense to contend that traders will not take the risk. In any war in which great nations are parties, the profits will always be so large that Americans will indulge in risky speculation. In the World War, many instances were known of a single voyage to Scandinavian countries in which the entire costs of ship and cargo were repaid out of profits.

Another criticism is that the policy abandons the old American doctrine of "Freedom of the Seas." This is a result of the looseness with which historical phrases and political shibboleths are used in the press, on the platform, and in the halls of Congress. Of course, "Freedom of the Seas," never at any time in our history meant that Americans had the right to ship contraband, or that contraband so shipped to or for a belligerent nation should be safe from capture and confiscation. In recent years, the American doctrine has been at least twice officially phrased and declared — once by President McKinley in his Message of December 5, 1898, and once by Congress by the Joint Resolution of April 28, 1904. In each case, it was stated to be "the principle of the exemption of all private property at sea, not contraband of war, from capture or destruction by belligerent powers." Secretary of State Root in his instructions to the United States delegates to the Hague Peace Conference, May 31, 1907, stated that "this resolution is an expression of the view taken by the United States during its entire history," and he instructed the delegates to advocate the following proposition: "The private property of all citizens or subjects

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of the signatory powers, with the exception of contraband of war, shall be exempt from capture or seizure on the high seas, or elsewhere by the armed vessels or by the military forces of any of the said signatory powers. . . ." And Secretary Root continued by pointing out that it was important that agreement should be reached as to what constituted contraband; for if the existing tendency to enlarge contraband lists continued, such action together with the application of the doctrine of continuous voyage would result in depriving any rule regarding property on the high seas of its effect to a large extent.

It will thus be seen that the United States never claimed that contraband goods should be exempt from capture on the high seas. It has always recognized that its doctrine of "Freedom of the Seas" had no reference to contraband. It has always sought to restrict extension of contraband lists by belligerent powers, but its efforts during the World War were completely unsuccessful. Today, the lists of articles considered contraband by the nations engaged in that war remain just where they were at the end of that conflict. Hence, when practically everything is now contraband, "Freedom of the Seas" as an American principle has no application whatever; and the President's policy constitutes no abandonment of it.

A third criticism of the President's policy represents it as a surrender of the rights of American citizens. This raises the whole question whether a citizen has a right for the sake of trade to endanger his own country. Has a citizen, by supplying necessaries to a belligerent, the right to prolong a war, the early termination of which is for the interests of his own country and of the world? Certainly he has no legal right to engage in trade in contraband; and he has no moral right to expect the nation to dispute the belligerent definition of contraband if such dispute would tend to engage the nation in a war. Secretary Root in 1907 prophetically pointed out that: "Resistance to this tendency towards the expansion of the list of contraband ought not to be left to the neutrals affected by it at the very moment when war exists, because that is the process by which neutrals become themselves involved in war." In other words, an American citizen has the right to risk his own life and property but not the right to risk the lives and property of his fellow-Americans by involving them in international conflict. Just as this country has at last come to recognize that American blood must not be shed simply to protect invest-

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ments made and risks incurred by our citizens in foreign countries for the sake of enhanced profits, so it now announces that those citizens who seek to make profit out of a war or out of a belligerent engaged in war must do so on their own responsibility.

Fourth, it is charged that the President's policy makes no discrimination between transactions with an aggressor belligerent and transactions with an innocent party in the war, and that thus it may favor an aggressor and penalize its opponent. Curiously, this criticism has come in many instances from newspapers and politicians who have vigorously opposed the entrance of the United States into the League of Nations. Having refused to allow this country to become a member of the League, they now complain that the President's policy may interfere with the League's action against an aggressor. Under the recent neutrality law, the President is obliged to declare the embargo against both belligerents, and he clearly would not be warranted in any Executive action which, in presenting claims of our citizens, would discriminate between belligerents. If action is desired against an aggressor nation alone, it can be satisfactorily taken only after entrance by the United States into the League and after the United States shall thus have had an opportunity of participating in the decision fixing the status of an aggressor and determining on the actions to be collectively taken by members of the League against an aggressor. A policy which the United States might adopt as a member of a collective body of nations, and in the formulation of which it had had a part from the outset, is not necessarily the policy which it would be advisable for it to adopt when acting independently of other nations and subject to animosity or attack from a belligerent directed at it in lonesome isolation. On the other hand, the President's policy will not interfere with the enforcement of sanctions by the League of Nations against an aggressor; for the risk which an American must assume includes all possibilities of seizure of his goods growing out of engaging in transactions of any character with a belligerent. It would, therefore, seem clearly to include the risk of seizure and confiscation not only by the opposing belligerent but also by any nation enforcing a sanction imposed by the League. Americans trading with a belligerent at their own risk can hardly expect the President to present claims for seizure by a party engaged in a war or by a party engaged under a treaty in trying to stop the war.

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Unquestionably, some perplexing problems may be presented in the enforcement of the President's policy in the case of indirect American trade with a belligerent, *i.e.*, in the case of shipment of goods to a neutral country for transhipment to the belligerent. The phrase "transactions of any character" doubtless includes indirect as well as direct trade. Difficulties, however, will occur in determining whether particular shipments to a neutral country are or are not designed for transportation and delivery to the belligerent; and as Professor Jessup has recently said: "It should be realized that this throws upon the neutral government of the United States the difficult task of discovering the cases of continuous voyage and ultimate destination." Complications with League nations enforcing sanctions are particularly likely to arise in this respect. But it should be especially noted that it will not be the task of the United States alone to find a practical solution of the problem presented by this indirect trade. For when an embargo is declared as a sanction by League members, they also will meet with difficulty in enforcing it against goods shipped to a non-member country for transhipment to the belligerent; since proof as to intention to reship will not be easy to obtain or to establish. The same difficulty of proof will confront the United States in enforcing its own embargo on arms and munitions, if shipment of such articles shall be made, not to the belligerent country directly, but *via* a neutral country. In fact, each country, whether League member or the United States, in the application of its embargo will be obliged to make, on the facts available to it, the same decisions as to ultimate destination of shipments, which Great Britain and France were continually making throughout the World War as to neutral shipments; and the decisions so made will again be sources of irritation to, and controversy with, shippers affected. And it is highly probable that some method must be devised which will restrict trade to neutral countries to the pre-war quota of imports, in order to avoid disputes as to ultimate destination.

Another criticism directed at the embargo section of the neutrality law is that in case of a war between a major and a minor power, or between two powers only one of which is geographically situated so as to be able to receive imports readily, an embargo works in favor of the one power and against the other. But it would work similarly unequally in case no embargo at all was declared. In fact, as is well known, the situation of Germany and

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Austria in the World War was such that the unrestricted shipment of arms by American citizens actually worked only in favor of the Allies. Had an embargo been declared in 1914, while the Central Powers would not have benefitted by the reception of arms, nevertheless, the opposing belligerents would also not have benefitted. Therefore, an embargo on arms under the present neutrality law at least avoids the extension of actual aid to either the stronger or the weaker belligerent. To that extent certainly the stronger belligerent suffers greater loss than it would, were there no embargo at all.

In spite of all these criticisms and unsolved questions, the President's policy sets the nation on a new path. It does not pretend to solve the whole question of contraband and belligerent trade. But it will at least aid this country in avoiding some dangerous complications into which insistence on the old alleged neutral rights of trade drove us in the World War. It does not guarantee or insure us against involvement in war; but it is one decided step in the contrary direction.

There still remains, however, the necessity for further neutrality legislation by Congress on the subjects of restriction of loans and credits; control of a belligerent's action in this country in calling out and collecting its reservists; control of radio on foreign ships in our ports; and loss of citizenship for Americans enlisting in a foreign army. There are also other amendments to the present neutrality law which appear to be of major importance and which I desire to discuss in detail.

President Roosevelt's policy of trade at the risk of the trader, is, of course, merely an Executive policy, personal to the present incumbent; it has not the effect of a statute, enforceable until repealed. Legislation will be required, therefore, to put it into permanent effect. The policy, as stated above, would seem fairly to secure the United States against complications with belligerents arising out of trade by Americans. But to supplement this policy, an extension of the scope of the embargo contained in the recent neutrality law is desirable, both for the sake of providing a diplomatic instrument in the hands of the Executive, and for the sake of attempting to shorten a war by absolutely cutting off trade in articles fully as vital to the waging of war as are the "arms, ammunition or implements of war" included in the present very limited embargo. The term "arms and ammunition" has a well-settled technical meaning; and neither it nor "imple-

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ments of war" comprises raw materials. The pedigree of the term, "implements of war," is found in several treaties signed by the United States — the Jay Treaty of 1794 with Great Britain, the Treaty of 1871 with Italy, and the Geneva Arms Traffic Convention of June 17, 1925 (ratified in 1934). In each of these treaties it is certain that the term was not to include raw materials.[1] Moreover, in the Senate debates on August 21 and 24, 1935, Senator Pittman, Chairman of the Foreign Relations Committee, in charge of the bill, stated specifically that the measure did not apply to supplies or to foodstuffs and that this was the opinion of the Committee, and that the Senate in ratifying the Arms Traffic Convention had before it the definition of the term. Accordingly, it is desirable that the word "munitions" should be substituted, or at least added. This term (as used in the Joint Resolution of March 14, 1912, relative to Mexico) has been construed in opinions by Attorney General Wickersham in 1912 (adopted also by Attorneys General McReynolds and Gregory in 1913 and 1915); and as so interpreted it was held to include "parts used for the repair and manufacture of such arms and raw material employed in the manufacture of such ammunition." The President should also be authorized to add to the embargo list certain specific articles peculiarly necessary for war, such as have been designated recently by the League of Nations as "key materials" — rubber, tin, nickel, cromium, tungsten, vanadium, aluminum, scrap iron.[2] In addition, the President ought to be given a discretionary power to embargo other key war materials like oil, steel, copper, potash, nitrates and chemicals. (It would probably be unwise to attempt

[1] The Jay Treaty of 1794, in defining "contraband," stated that "under the said denomination shall be comprised all arms and implements serving for the purposes of war by land or sea, such as cannon, muskets . . . and generally all other implements of war," and then followed the phrase, "as also timber for shipbuilding, tar or rozin, copper in sheets, sails, hemp, and cordade. . . ." — thus showing that the latter raw materials were classed as additional to "implements of war." In the Arms Traffic Convention of June 17, 1925, the term "arms, ammunition, and implements of war" was specifically defined as comprising a limited and definite number of articles, but not including in the definition raw materials. In the Treaty with Italy of February 26, 1871, the phrase is used in defining contraband as follows: "(2) Infantry Belts, implements of war and defensive weapons, clothes cut or made up in military form and for a military use."

[2] Most of the "key materials," specified above (except scrap iron) are not produced in the United States or are produced in quantities insufficient for our own consumption; they are articles which we import rather than export; and since the United States imports them from countries which are members of the League, there would be, at the present time, little likelihood of imports for the purpose of transhipment to the belligerents. Consequently, in the present war, a failure by the United States to embargo them would not interfere with enforcement by the League of its own embargoes. But in future wars there might easily be instances when efforts would be made to import from non-sanctioning nations, members of the League, for transhipment to belligerents, and hence the power to embargo even this type of "key material" should be granted to the President.

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to embargo foodstuffs and cotton, owing to domestic conditions here.) The President should also be granted power to cut down shipments to belligerents, and to neutral countries suspected of transhipping to belligerents, to the average amounts of pre-war export to those countries. This might be difficult of administration, but the United States practically adopted such a policy after it became a party to the World War.

Not all of these powers would necessarily be exercised by a President; but he should have an authority broad and elastic enough to deal as they arise with situations which cannot be clearly anticipated in detail by any Congress. For instance, under some conditions the President should not be forced to put certain articles on the embargo list unless similar action were taken by other exporting nations; under other conditions, an embargo may be highly desirable, regardless of the action of other nations; and in still other cases, the imposition of any embargo might conflict with existing treaty obligations of the United States. Moreover, choice as to articles to be embargoed might be largely affected by the difficulty of enforcement and by the location of the particular nations engaged in the war. The extent to which an embargo would destroy American trade would also enter into consideration, although loss of trade to some extent, even to a considerable extent, is inevitable if we desire to keep out of trouble. It is the price we must pay for our neutrality — a price immeasurably less than the cost of a war.

While the actual exercise of Presidential authority to impose an embargo has a tendency to keep us out of dangerous international controversy only to the extent that it keeps the embargoed shipments from possible seizure by a belligerent, nevertheless an embargo policy is desirable for two other important effects which it may have. In the first place, the mere possession of the authority to embargo would be, in itself, a valuable aid in keeping out of war. For it would always constitute a forcible diplomatic weapon for the purpose of obtaining from belligerents fairer treatment for neutral lives and property, in the direction of reduction of contraband lists, agreements for requisition instead of confiscation of contraband, or similar modification of harsh war measures. To obtain such agreements would be the most satisfactory way to deal with the problems of trade and contraband and would result in the least destruction of our commerce. It ought to be possible at the outset of a war to negotiate agreements, which should at

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least provide that the United States would relinquish any intention of challenging the right claimed by a belligerent to restrict the flow of neutral commerce through neutral ports, and that in return the belligerent would relinquish the right claimed to confiscate cargoes and would instead requisition them and make compensation to shippers for the goods and to shipowners for costs of detention.

In the second place, there is an important phase of an embargo policy which should be especially kept in mind in any discussion as to the articles which an embargo list should embrace. It is this. The possibility of preserving the United States from being involved in a war depends not alone on the maintenance of neutrality and on concessions of alleged rights of trade, but also on the length of the war. It is to our vital interest as a nation that a war should be cut short as early as possible. Prolongation of a war enhances the chance of controversies between belligerents and neutrals. It was this benefit of a restrictive policy that particularly appealed to some of our political leaders at the outset of the World War. Thus, Secretary of State Bryan wrote to President Wilson, as early as August 10, 1914, that "our refusal to loan to any belligerent would naturally tend to hasten a conclusion of the war;" and Senator Stone, Chairman of the Foreign Relations Committee, wrote to Secretary Bryan, January 8, 1915, that sales of munitions should be condemned because "such sales prolong the war." It is highly probable that, had the United States pursued this policy in 1914 and 1915, the World War would have terminated earlier. Therefore, when we now discuss the addition of "key war materials" or other articles to the embargo list, we should do it from this standpoint, and not (as many advocates of the League of Nations seem to think) from a mere desire to aid the League in enforcing sanctions, desirable as that aid might be in some circumstances. Strong reasons for prohibiting our citizens from trading in "key war materials" are, first, the added protection it may give us against being drawn into the war; and second, the effective manner in which it will promote the shortening of the war and the lessening of abnormal and disastrous social and economic conditions which a prolonged war produces for belligerents and neutrals alike.

Unquestionably, the present form of the embargo section of the neutrality law should be changed so as to give to the President full discretion as to whether, and when, and on what articles, he

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will declare an embargo. To this extent, it should be permissive; but it should be mandatory, if and when proclaimed, as against both belligerents at the time of its proclamation. Further, the President should have power to proclaim an embargo not only "upon the outbreak or during the progress of war," but also upon the occurrence of acts of war or of force or hostile invasion; for, as in the case of Manchuria, there may be acts which are not technically acknowledged to constitute a war in its legal sense. And the President ought to be authorized to proclaim an embargo in case of a threat to use force or of hostile action likely to lead to war; he should not be required to wait until the actual outbreak of war, but should have the power to utilize the preventive effects of an embargo.

In considering an embargo policy to be embodied in permanent legislation, Congress must not center all its attention on the rather unusual conditions of the present war. The legislation must be sufficiently flexible and inclusive to meet other conditions. While objection may possibly be raised that an Executive might, in adding to or excepting from the embargo list, so act as to discriminate between the belligerents, to the disadvantage of the United States, this is not an objection which should be given great weight; for no Executive, responsive to the demand of this country to keep out of war, is likely to utilize an embargo for the contrary purpose. As a substitute for embargoes, some persons have advocated a "cash and carry" policy, under which belligerents would take title to goods here and transport them in their own ships. Such a policy would probably be insupportable, since it would be destructive not only of our trade but also of our merchant marine (unless our Government should be prepared to pay our shipowners a subsidy for the loss of their carry trade); and under present international financial conditions it would probably be impracticable of operation; moreover, this policy does not profess to deal in any way with sales by us to neutrals, and such sales are the very ones most likely to involve us in difficulties.

One other major problem which confronted the United States from 1914 to 1917 should now be settled by legislation — that of the armed merchantman.

The coexistence of three doctrines of international law entirely incompatible with each other under modern conditions of warfare produced serious complications for all neutrals. The first of these doctrines involved the right of a merchant ship, belligerent or

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neutral, not to be attacked without warning — a well-settled rule of law, but established under old conditions of sea-fighting and before the advent of torpedoes and submarines. The second doctrine involved the duty of a neutral nation to use due diligence to prevent the equipping and departure from its ports of any belligerent vessel which it had reasonable ground to believe was intended to cruise or carry on war against a power with which the neutral was at peace. This rule of law, long agreed to, was definitely formulated in the Treaty of Washington of 1871; but it also was established with no prophetic conception of submarine or airplane warfare or of the type of vessel or equipment which might be used against such new instruments of war.

The third doctrine involved the right of a merchantman of a belligerent to carry armament for defensive purposes, without taking on the character of a war vessel. This was a rule finally definitely established in the early part of the nineteenth century, but which in recent years had been considered obsolete. The arming of merchant vessels at the time of the War of the Revolution and the War of 1812 was chiefly resorted to as a defense against privateers, wooden war frigates or cruisers of substantially the same type of craft as the merchant marine, and sometimes against pirates and slave traders. The advent of conditions in maritime warfare under which merchant vessels would have no successful chance to defend themselves against heavily-armed and armored cruisers, and the abolition of privateering by the Declaration of Paris of 1856, caused the practice to be lost sight of. But after the Russo-Japanese War of 1904, when nations began to grant subventions to shipbuilders on condition that merchant vessels be constructed so as to be capable of conversion into auxiliary cruisers in case of war, and in view of the adoption by some nations (Germany and others) of the theory of the legal right to convert merchantmen into war vessels on the high seas or in neutral ports, a renewed arming of merchantmen began; and with it came a consequent revival of the old international law applicable to them. The initial movement was made by Winston Churchill as First Lord of the Admiralty in a speech in the House of Commons, March 26, 1913. He announced that because of Germany's support of the right to convert, Great Britain would take measures to arm her merchantmen. On June 11, 1913, he announced that they were not to be equipped for attack but were to be serviceable only "to defend themselves against the attack of other vessels of their

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own standing." On March 17, 1914, he stated that by the end of 1914–15, seventy ships would have been armed with 4.7 inch guns "solely for defensive purposes . . . not allowed to fight with any ships of war. . . . They are, however, thoroughly capable of self-defense against an enemy's armed merchantmen." It is a singular thing that apparently this new policy of the British Navy was not adopted to meet the submarine problem at all. Nothing is more curious than the ignoring of that problem in the years before the World War — and this in spite of the fact that as early as 1906 Germany took up construction of submarines, and that in 1908 the application of the Diesel engine to submarines made this type of ship a potentiality in any navy.

It was the relation of the submarine, however, to the question of the armed merchantmen, and to the other two doctrines of international law, above mentioned, which plunged the United States into serious complication and controversy at the very opening of the war. For the United States as a neutral was obliged to decide whether an English, French, or Italian merchantman, which happened to be in its ports and to leave carrying an armament, was armed for offensive or defensive purposes; and this decision had to be made in the face of the fact that Germany claimed that *any* merchant ship of her enemies carrying armament of *any* kind was, so far as a submarine was concerned, armed for offense.

The gradual implication of this country occurred as follows. On August 4 and 9, 1914, the British Embassy in Washington notified the State Department that, since Germany upheld the policy of converting merchant vessels into armed ships on the high seas, Great Britain would hold the United States responsible for any damages caused by German merchantmen "having been equipped at, *or departing from* United States ports." At the same time, it claimed the right of British armed merchant ships to enter United States ports and to sail therefrom armed with guns purely for defensive purposes, since Great Britain did not follow the German doctrine and practise of conversion. Secretary Bryan replied, August 19, denying that the German practise was contrary to international law, and refusing to accept the British contention that the United States was "bound to assume the attitude of an insurer" against damages caused by a German merchant ship leaving our ports. On August 25, 1914, Sir Cecil Spring-Rice, the British Ambassador, wrote that British mer-

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chant ships were armed solely for the purpose of defense, and he gave assurance that they "will never fire unless first fired upon, and that they will never under any circumstances attack any vessel." A few days later, two British ships, the *Adriatic* armed with four guns, and the *Merrion* armed with six guns, entered our ports. As a precaution, our Government demanded that they land the guns before sailing out. The British Embassy, while maintaining that we had no right to make this order, authorized the landing of the guns of the *Merrion*, the other ship having already sailed.

On September 19, 1914, the State Department issued a circular setting forth our attitude as to the status of armed merchant vessels and the physical basis for determination of offensive or defensive armament. This circular elicited from the German Government, on October 15, 1914, a protest against our allowing the admission or departure of any armed merchant ships whatever and stating that "the distinction between the defensive and offensive is irrelevant. The destination of a ship for use of any kind in war is conclusive, and restrictions as to the extent of armament affords no guarantee that ships armed for defensive purposes only will not be used for offensive purposes under certain circumstances." On November 7 the State Department replied, denying the accuracy of the German view of the law, but stating that it had expressed to Great Britain a "disapprobation of a practice which compelled it to pass upon a vessel's intended use" and that as a consequence no British armed merchant ship had visited us since September 10.

In spite of our "disapprobation" of the practise, the Cunard liners *Orduna* and *Transylvania* entered our ports in March 1915, each with two 4.7 inch guns mounted aft. They were allowed to depart "on condition that the armament be used for defensive purposes only." In May, the British steamship *Asian*, arriving at New Orleans with four unmounted guns, caused further correspondence with Spring-Rice, and request was made that the guns be removed. In September, 1915, the *Waimana* arrived at Norfolk, having mounted a 4.7 inch gun. Refusal of the British Government to order this gun to be taken off resulted in a note from Secretary Lansing to Spring-Rice, that the *Waimana* would not be cleared "until your Government has given formal assurance that her armament will be used only for defensive purposes, or unless the armament is landed." The Department had

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learned, wrote Lansing, that "British merchant vessels which carry arms have used them for offensive purposes in attacks upon submarines," and that it seemed clear "that British merchantmen have not always used their armament for defensive purposes only, and that they may, upon occasions, use any guns which they have mounted in unprovoked attack." This note presented the situation in which the new use of submarines in the war had involved the old international law as to defensively armed merchantmen. As early as February 1915, Germany had claimed that its submarines could not comply with international law doctrines as to attack without warning because of the conduct of British ships in ramming or attacking a submarine on sight; it contended that submarines were obliged to attack in this manner and submerged, because of the danger of being fired upon and attacked if they emerged on the surface. Great Britain, on the other hand, had complained that her merchant ships must be armed because of the conduct of German submarines in attacking without notice. Which policy was cause and which was effect presented a question incapable of solution. It was the old problem of the priority of the chicken or the egg. The one thing which was certain was that the two doctrines of international law as to the right of merchant ships to be armed and the right of such ships to be immune from unwarned attack could not exist coincidently. The inevitable clash between these two doctrines of law was seen most clearly by neutral nations, to whom they presented grave danger of involvement in the war.

It was on this account that Secretary Lansing, fully conscious that international law could not be changed during a war by either belligerent or by the United States as a neutral, suggested to the Allied powers his famous *modus vivendi* in a note dated January 18, 1916. What he proposed was that as a temporary compromise the one side should relinquish its right to arm its merchant vessels, and the other in return should relinquish its right to attack without warning. He set forth the situation, with succinct clarity, as follows:

> This right seems to have been predicated on the superior defensive strength of ships of war, and the limitation of armament to have been dependent on the fact that it could not be used effectively in offense against enemy naval vessels, while it could defend the merchantman against the generally inferior armament of piratical ships and privateers. The use of the submarine, however, has changed these relations. Comparison of the defensive strength of a cruiser and

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a submarine shows that the latter, relying for protection on its power to submerge, is almost defenseless in point of construction. Even a merchant ship carrying a small caliber gun would be able to use it effectively for offense against a submarine. . . . Consequently, the placing of guns on merchantmen at the present day of submarine warfare can be explained only on the ground of a purpose to render merchantmen superior in force to submarines and to prevent warning and visit and search by them. Any armament, therefore, on a merchant vessel would seem to have the character of an offensive armament. . . . If a submarine is required to stop and search a merchant vessel on the high seas and, in case it is found that she is of enemy character and that conditions necessitate her destruction, to remove to a place of safety all persons on board, it would not seem just or reasonable that the submarine should be compelled, while complying with these requirements, to expose itself to almost certain destruction by the guns on board the merchant vessel.

The result of this effort by a neutral statesman was that which always befalls the innocent bystander. The Allied Powers declined, in decidedly tart language, to accede to the humane suggestion by the Secretary. And accordingly on February 16, 1916, Lansing withdrew his suggestion and stated that the United States would "cease its efforts to have the *modus vivendi* accepted and will rely upon the present established rule of international law that merchant ships are entitled to armament for defensive purposes only; and that nevertheless the Government feels free to change its regulations in regard to the evidence as to armament on merchant vessels arriving in American ports which would indicate that it was defensive only." Accordingly on March 25, 1916, the State Department issued a new Memorandum as to the presumptions relative to the status of merchantmen — a document which, by the way, has been strongly criticised by Professor Charles Cheney Hyde in his book on International Law. Meanwhile, on July 10, 1915, December 30, 1915 and February 11, 1916, our Government had received from the German Government, memoranda presenting clear evidence, from official confidential instructions issued in 1915 by the British Admiralty and found in captured British ships, to the effect that armed merchantmen were not to await attack or definite hostile act such as firing of gun or torpedo from submarines but were to open fire if it appeared that the submarine was in pursuit. Another secret order instructed masters that "if a submarine comes up suddenly close ahead of you with obvious hostile intention, steer straight for her at your utmost speed, altering course as necessary to keep her ahead;" and evidence was presented in other notes by Germany

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of attempts by British merchantmen (sometimes under a neutral flag) to ram submarines, thus supporting the German contention that it was impossible for submarines to comply with the old law of the sea as to attack without warning, by reason of the danger of being fired upon or rammed.[3]

While the evidence appeared to support the German claims as to the facts in the case of British ships, they did not support the German legal contentions as to neutral ships; for if war conditions had so changed as to make it impossible to use submarines in compliance with international law, then their use must be discontinued or changed so as to conform to the law, in case neutrals were affected. The United States could not admit the right of Germany alone to change international law during the progress of the war.

The whole situation, however, clearly proved that the old doctrine of armed merchantmen was unsuited to modern conditions. It put a grievous burden on neutrals in making a decision as to whether a vessel's armament in its ports was offensive or defensive — a decision which, if later appearing to be incorrect, might subject the neutral to heavy damages. And — what was more important — the existence of the doctrine and its acceptance by neutrals directly encouraged the German system of submarine attack without warning.

It is to be noted that the Netherlands throughout the war maintained the right to exclude from its ports armed merchant vessels. This is the policy which clearly the United States should now adopt. The neutrality law should be amended by providing that the President shall have authority to refuse entrance, or to order clearance, of all merchant vessels of a belligerent containing armament or preparations for armament, or else to treat them as vessels of war.

With the above amendments, the neutrality law ought to constitute a vastly improved defense to the maintenance of our position as a neutral nation. Nevertheless, the fact must be continually reiterated to those who rely on such legislation, even of the most perfect and rigid type, that it is no absolute guarantee against our being dragged into war; for conditions may arise not covered by the present or suggested statutes or by the President's

[3] Professor Thomas A. Bailey, in a masterly article on "The Sinking of the *Lusitania*" in the *American Historical Review* (October 1935) XLI, 54–73, states: "The question of ramming, as well as that of armament, has an important bearing on the *Lusitania* case."

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declaration of October 5. Take the case of an American citizen travelling or serving as a member of the crew on an American or neutral ship not engaged in any transaction whatever with a belligerent, who loses his life as the result of a belligerent attack by submarine or airplane — it would be difficult, and certainly almost impossible if repetitions of such an incident occurred, to prevent this country from regarding such attacks and loss of life as a *casus belli*. Indeed, a question may well arise whether an American serving as a member of the crew of a vessel trading with a belligerent is, himself, voluntarily "engaging in a transaction of any kind" with a belligerent.

And so we are brought once more to the inevitable conclusion that the only sure way to keep out of war is to help in preventing the occurrence of a war. Moreover, the problem before the United States is not quite so simple as it appeared to some two years ago. The question is now, not merely whether we shall join or whether we shall continue to keep out of the League of Nations. It is not merely whether we shall refuse to aid the League in its attempt to avert a war. Now we are confronted with the question whether we will actually oppose and injure the League's efforts, by refusing to the President power to help shorten a war. That is a very grave question, which, in the consideration of amendments to the neutrality law, each of us ought to ponder with deep concern. There are very many Americans who, while possibly not yet prepared to advocate our entry into the League, are nevertheless not desirous to see the United States actually obstruct any efforts of the League to maintain peace. Though we may not yet be ready to join in collective action to prevent a war, should we not now be ready at least to frame legislation so as to enable the President, without implicating this country, to aid in preventing the continuance or the spread of a war?

Is it not possible that Americans who opposed the League as an ineffective body to promote peace, may, without inconsistency, be willing to assist the League in an actual, effective move to curb a war, if such assistance can be rendered by the adoption of an American policy which, while not discriminating between belligerents, will tend to reduce the supply of sinews of war to both, and hence to shorten a war? World conditions have greatly changed since 1920, indeed since 1934. Events are often stronger than words. Events may convince where arguments have failed to persuade.

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EUROPEAN KALEIDOSCOPE

By Gustav Stolper

ON SEPTEMBER 11, 1935, Sir Samuel Hoare, the British Foreign Secretary, delivered what many people considered the most impressive speech ever heard in Geneva. He laid down the fundamentals of an effective League of Nations policy. Geneva is accustomed to declamations and declarations and has become tired of them. This time Geneva, to the surprise of all skeptics, not only listened to a strong speech, but also responded with strong action. The League suddenly became a power competent to give a new aspect to world history. The noncommittal ideology of yesterday has become the forceful action of today. Will it survive tomorrow?

The answer to this question evidently depends upon the play of forces that determines the policy of the chief powers. This play of forces consists not only in the struggle of idealisms. But it is also not only, as many say, a play of massive material interests which for their realization lay hold of whatever tools appear to be most useful at the moment. All governments respond to the immediate political situation of their respective countries. This political situation is always a very complex composite, formed from ideologies, *Machtinteressen*, tactics of domestic politics, and economic purposes. If one is to understand the play of forces which determines the present phase of world policy in all its implications and motivations, one must carefully analyze the internal situation of the nations and groups of nations concerned. It is not just a question of idealism versus selfishness, dishonesty versus honesty, imperialism versus pacifism, the "haves" versus the "have-nots" — none of this, and yet all of this together. Too many heterogeneous characters appear on the stage of history for us to be able to force them into any simple scheme. The history of the world is not concerned, as are bad authors, only with black and white, virtue and vice, brutality and gentleness, justice and injustice.

II

In his great speech Sir Samuel Hoare admitted "the mistakes that no doubt His Majesty's Government in the United Kingdom and the British people, like every other Government and every other people, have made in the past." Only Hoare himself knows

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which "mistakes" he had in mind. But it is certain that as recently as June 7, 1935, English policy had experienced a complete revolution. When at that time Ramsay MacDonald was displaced by Stanley Baldwin, Sir John Simon by Sir Samuel Hoare, and Lord Londonderry by Philip Cunliffe-Lister, many looked upon it as a change of personalities of little consequence. Had Baldwin not already as head of the Conservative Party been the real leader in the government? In the opinion of the public was Sir Samuel a more colorful figure than Sir John? Hoare had belonged to this National Government from the beginning, as had Simon. It appeared to be a little regrouping inside the Cabinet. Why should it greatly modify the direction of British policy? But in reality it meant a complete swing about.

Only three weeks after the re-shuffling of the Cabinet the results of the so-called Peace Ballot were announced. The English League of Nations Union, under Viscount Cecil, had in January started the Ballot on a complicated questionnaire:

"Should Britain remain a member of the League? Are you in favor of an all-round reduction of armament by an international agreement? Are you in favor of all-round abolition of national military and naval aircraft by international agreement? Should the manufacture and sale of armaments for private profit be prohibited? If one nation attacks another, should other nations compel it to desist by: 1. economic non-military measures? 2. military measures if necessary?"

11,628,000 votes were cast, of which over 10 million were for economic sanctions and almost 6,800,000 for military sanctions.

The significance of this Peace Ballot was at first as little appreciated by the non-British world as had been that of the Cabinet change. Even today it is impossible to say which of the two was of more far-reaching consequence. It was destiny that the change in government personnel seemed to favor the policy of the Peace Ballot. It is known that in recent years MacDonald had cherished as much dislike for the League as sympathy for Mussolini. (This peculiar and tragic *volte-face* in the life of this British statesman, whose political days are now over, we cannot discuss here.) Baldwin was always free from the personal prepossessions that inhibited MacDonald. Sir John Simon was as acute as he was unresponsive to sentiment. Certainly he was much more skeptical about the League than was bearable to the passionately pacifistic and League-minded public opinion of England.

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But the decisive factor was and is this public opinion itself. It was organized by pacifists, but by British pacifists, that is, by political realists. A prominent English Liberal said to me the other day in London: "You see, the trouble with the French peace movement is that it is run by cranks." That is perhaps true not of the French peace movement alone; but surely it does not apply to the English. English pacifism is very realistic. It has its roots in the religious as well as in the humanitarian and liberalistic British character. It is certainly not, as so many argue, merely a veil for "English imperialism," whatever that means. The ten million who voted for the English League of Nations policy, for collective security plus sanctions, really mean what they say. They are resolved to take the consequences for the British Empire just as they are now demanding them of the Italian, and would tomorrow demand them of any other Covenant breaker. So little imperialistic are they that they are ready to abandon India or to subordinate the British colonies as British mandates to the League.

The question whether these millions represent a real majority of the English people is for practical purposes of little importance. They represent certainly the most active part of the British nation politically. For only the active people participate in that kind of voluntary affair. The question is of little importance also for another reason. The elections on November 14 again confirmed an old English experience that in essence the domestic political fight is always waged for one million votes. The majority which gave Baldwin's government in the House of Commons a majority of almost 250 seats was scarcely 1,500,000 votes. A million votes for one side or the other means in England a change of government, a change of régime, a change of system. The Peace Ballot told the Conservative Government that it had to take heed of almost 12,000,000 voters, among them without doubt some millions of Conservative electors. The government pricked up its ears to listen to the distinct voice of the people.

Is that of no avail now that the elections are over? Can the British Government betray or deceive its voters after the event? Can it disrespect now what it had to respect before the elections? Anyone who knows anything of modern English history — and that means above all the part of English society that is interested in politics — does not for a moment consider this possible. England is the only great nation of the world in which, apart from the political parties and the press, an independent public opinion exer-

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cises a constantly effective power. A government that acted in opposition to public opinion would in a short time be compelled to dissolve Parliament and call new elections, no matter how large its majority was; and the new elections would again be decided by those million votes which determine English history.

It was again destiny that the test case of English pacifism came up in a situation that caused English imperialism to take the course it would have had to take anyhow. The 11 million who voted in June for an active League of Nations policy on the part of England are not the whole English nation. There are millions of Englishmen who view the League with the greatest skepticism and suspicion, millions who — regardless of motives — had joined the ranks of Mussolini's admirers. It was Mussolini himself who decimated the legions of his English admirers. Not because he threatened the sources of the Blue Nile and the communication lines to India and Australia. That he had already done before June, that was implied from the beginning in his Ethiopian policy, and in spite of this no "diehard" cried alarm and MacDonald and Simon saw no reason in those four lovely April days which they spent with Mussolini in Stresa even to mention Ethiopia. It was Mussolini's remarks which were spread through diplomatic channels in London society, and the inspired articles of the Italian press — there are only inspired articles under dictatorships — which aroused the uneasy attention of Mussolini's admirers in England, such as that the Mediterranean was an Italian sea and the British navy no longer mattered. That was more than English pride would have borne even if it had been true. Mussolini had underrated England — we shall soon see for what reasons. Thus it was ultimately Mussolini himself who united England, in spite of all tactical inhibitions, to a degree never previously attained.

In brief, England today pursues a League of Nations policy because, first, it is fundamentally pacifist and detests war; second, because it is afraid of the European chaos that would inevitably follow the disintegration of the League; third, because the action of the League is meant to make unnecessary military measures for the protection of British interests if and when such interests should be at stake. Naturally, the three motives are not in reality so sharply defined as they are here formulated. Pacifist ideology, imperialistic egoism, and party tactics are intermingled. But the stream of public opinion, which they form, flows in one direction.

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III

Nothing of all this is true for France, which at the moment plays England's counterpart in Geneva. Pierre Laval made his great speech in Geneva the day after Sir Samuel Hoare. He appeared — that was the intention — to agree with Hoare in everything. But the French ideology and the French material position are different from the English in almost every respect. Laval's cabinet came into power on the same day, June 7, as Baldwin's. But from the beginning it was weak, just as the English was strong. If England is today as never before conscious of her strength, France is, as hardly ever previously, conscious of weakness. This feeling of weakness is much more cause than effect of the profound rift that is poisoning public life in France today.

Mentally, France has never grown up to the position of power which she won in 1919, with the help of her allies, at Versailles. During the years of the greatest expansion of power she never lost her inferiority complex with respect to vanquished Germany. This alone determined her vacillating foreign policy. From this arose her obstinacy, her incapacity for conciliatory policy, for timely concessions, for constructive ideas. It was France, not England, that made the principle of collective security the goal of her policy. But what she always had in mind was security against Germany, and security against Germany meant security for the entire European system which was set up in 1918 to keep Germany down. France felt weak in the degree to which this system began to show cracks on all sides. Her inferiority complex turned into panic in January 1933 when Hitler seized Germany.

This inferiority complex determines not only the ideology of the French foreign policy, but also its practice. France is also a pacifistic nation, but French pacifism divides the nation rather than unites it. French pacifists are not, as are English, conservatives (in the sense of philosophy, not of party), but radicals. Pacifist propaganda in France runs for the most part along with communist propaganda. Consequently it is looked upon by the conservatives as a sapping of national strength, as anti-national.

The gulf between Right and Left is today scarcely to be bridged. It has already been realized by foreign observers that the French position today manifests unpleasant similarities with Germany's in 1932. The whole country is divided into two enemy camps which are so heavily armed that it is doubtful how far the government's power would go if these weapons were once put into use.

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The camps eye each other with the utmost suspicion; each has diametrically opposed views on all vital questions. Whereas in England the economic recovery which has been steadily progressing for the last three years has purged internal politics of the bitterness which characterized it in 1931, in France the steadily aggravating economic depression has intensified this bitterness to a point where only a slight increase would set off an explosion. And just as these years of recovery have bolstered English pride in the system of parliamentary democracy extraordinarily, so the years of depression in France have brought this system into extreme discredit. And just as recovery in England has made it possible for the government not only to put its finances in order, but also to grant tax reductions, and redress former cuts in its social budget, the French Government must seek refuge in restrictions which make the era of Laval so dangerously like that of Brüning not only in its political but also in its economic and financial conditions. And this policy of restrictions in France is apparently doomed to the same failure as in Germany.

The task of Pierre Laval is unsolvable, but he is always under compulsion to act as he does. He is not free. The rift which divides the nation goes through his own cabinet. The formula of compromise for which Laval is always striving in Geneva, which he would like to use between Italy and England, is at the same time the formula of compromise which he needs at home. While French conservatives and their representatives in the government prize the newly-founded friendship with Italy above everything, the representatives of the Left threaten to break up the Cabinet if Laval refuses to follow England's leadership at Geneva. Herriot, Bonnet, Mandel (as the standard bearer of Clemencist tradition), would resign on the day on which Laval tried to take sides against England. But no one wishes to face the consequences of such a step. For the alternative to a cabinet of the Center parties would be a cabinet of the Left, left not in the traditional French sense, but a Left in which probably for the first time in French history communists would play a dominant rôle. How strong they are the elections in the spring will show. But no one doubts that these elections will bring heavy losses to the Socialists as well as the Radical Socialists, and to the Communists great gains. At that time, at the latest, the French crisis will be decided, if it is not done previously through the devaluation of the franc. This might change the whole scene. But Laval cannot do it. And the appoint-

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ment of a Left government which might be ready to devalue the franc might at the same time give the signal for a civil war. That is the tragic dilemma under which French policy must act.

It is not only domestic political restraints which make Laval hesitate. He has also military scares. The nightmare that haunts many French people is a German-Italian military alliance, to which as a last resort Mussolini could be driven. What would the entire English fleet avail against an attack of the combined German and Italian armies? France would have to stand the attack alone, for the Russian alliance does not count very much, and the Little Entente would be busy in case of a crisis with its own cares (Hungary, Austria, Bulgaria, and domestic troubles). If England were as powerful on land as she is at sea, the French option would not, despite everything, be in doubt for a moment. But since Germany has rearmed, France feels a need for military protection. Mussolini appeared to satisfy it, until England placed before France the unpleasant choice between Rome and London.

Laval's League policy has as little to do with that of Briand as Baldwin's has with that of the earlier MacDonald. Almost a decade has passed since Stresemann made his entrance into the League of Nations Assembly amidst the enthusiastic applause of representatives of the whole world. These years have altered French policy as well as English, German and Russian.

IV

Europe is at the crossroads. Developments demand that a definite decision be made concerning the road to be taken. The decision has been postponed so long that the margin of arbitrariness has been narrowed to the extreme. The great majority of European nations are not Great Powers but instead little and middle-size states. The Scandinavian countries, Holland, Switzerland, the Successor States of the former Austrian-Hungarian monarchy, all the Balkans and the Russian border states — have all, through Hitler and Mussolini, been made aware of their helplessness. They all see in the League of Nations their only and last protection. They all are (with one or two exceptions) gratified to follow English leadership in shaping the League into an efficient instrument for the preservation of peace and for protection against wanton attack. None of them is interested in Ethiopia, in the balance of power in the Mediterranean or the Red Sea. But they all look upon League intervention in favor of Africa as

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a kind of rehearsal for the really great performance which may be put on in Europe tomorrow. And they hope that if this rehearsal goes off well no one will have the courage or feel the need to raise the curtain upon the real play. All feel that if the League functions this time a precedent will have been created which will make its action in the future ten times easier, quicker and more effective. This explains the promptness with which fifty states responded to Geneva's call and which surprised so many even in Geneva itself.

But however great England's influence may be, the real motive for the promptness of the decision was the consciousness of each of these countries: *Tua res agitur*. For to the great majority of the central and eastern European countries pacifist ideology means simply nothing at all. They do not feel the moral aversion to war that prevails in Anglo-Saxon countries. For many among them, moreover, economic sanctions mean a much greater economic sacrifice than for a great power. And thanks to the impenetrable network of ententes, non-aggression and arbitration pacts, and whatever the modern names for the old alliances are, it brings many of them into conflicts similar to these in which France is involved. It remains to be seen how far these conflicts of interests and this lack of intellectual conviction will impair the practice of sanctions. But the moral pressure which Geneva brings to bear will probably receive sufficient support from the apprehension which almost all European nations feel of Germany, a nation outside the League and rapidly rearming.

V

This is the dominant motive first of all for Soviet Russia's attitude. Humanitarian pacifism is as far from the bolshevist ideology as it is from Mussolini's militant nationalism. Also, the League is for Russia a matter of convenience, not of conviction. What determines Russia is not the desire for a better and safer European order, which, according to Russian ideology, could be brought about only by a triumphant Third International. It is also not the outlawing of war as an instrument of international policy (for the class war — which also has little respect for the value of human life — is, to its way of thinking, the inevitable characteristic of the capitalistic world).

Three definite considerations lead Russia today to come forward as the protagonist of the League and the policy of sanctions. The days of Rapallo when, to the amazed horror of the victorious

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western Powers, Russia and Germany appeared to join their lot as the two great outcast-nations, have passed long since. Today Russia feels itself threatened directly by Germany in the West as by Japan in the East. And it has very good reason to feel so. In none of his numerous protestations for peace has Hitler neglected to express his hatred and enmity for Russia. It is the vital element of National Socialism into which he fits all his external foreign political tactics. Since Hitler's understanding with Poland the "German danger" has become acute for Russia. The Soviets need protection for their western boundaries, and they seek this protection in Geneva, because only through Geneva can the military alliance with France and the Little Entente become effective. Russia recognizes fully how unpopular the Franco-Russian alliance is in a France whose domestic politics is completely dominated by the tension between the growing fascist and communist forces. The League is needed as a common denominator to make France's need for security coincide with the Russian need for protection on its western border.

But two other motives would alone be sufficient to explain Russia's active rôle in Geneva. In Ethiopia fascism must receive a fatal blow. If Mussolini's power breaks on the League, Hitler's fall is believed to be the inevitable consequence. (This motive plays no small part among the French and English left wing, but it is nowhere paramount.) And finally, Russian foreign policy is focused on two points. The Asiatic East is in even stormier ferment than the European East. In comparison with the shifts that are developing there under the ruthless aggression of Japan the Ethiopian question looks like a bagatelle. Of the European Powers only one besides Russia is directly interested in these events of world-historical importance: England. Under the pressure of fascist imperialism, English and Russian interests are for the first time in Europe as well as in Asia brought into the same direction. This is a turn the significance of which for the future cannot be exaggerated.

VI

Italy at last. Her policy constitutes the only real puzzle in a tremendously complicated yet transparent play. What Mussolini seeks in his deadly Ethiopian adventure historians may reveal. All official explanations are insults to human intelligence.

But the pressure under which the fascist dictatorship acts and

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which makes its entire weakness apparent is clearly to be seen. For years Mussolini has pathetically announced that in 1935 the new *Imperium Romanum* would be founded. On this fateful year all military preparations were centered. For this year the all-inclusive propaganda apparatus prepared public opinion. Ethiopia should become the cornerstone of this empire. For half a century Italy had had this aspiration, in vain. Fascism was to bring about a successful realization. Whoever seeks behind this for primarily economic motives is as badly mistaken as in every attempt at an economic interpretation of any nationalism. Ethiopia is in every respect economically worthless for Italy. Whether it does or does not contain natural resources the exploitation of which would pay, is still an open question. Were they there, Italy would need the aid of foreign capital to exploit them, and no country is so rich in natural resources that the net profit to be derived from them would by any possibility cover the costs of a war. Moreover, for a purely economic penetration of Ethiopia Mussolini could have obtained the diplomatic and probably also the financial support of England. But he was not striving for economic opportunities; he sought rather military triumphs. He did not seek gold, he sought war and power. That brought the civilized world to its feet.

The Anglo-Saxon world will understand this only when it has learned to understand the internal play of forces in the fascist world. Fascism came into power as a youth movement. Youth, disappointed and hopeless, came out of the trenches to find at home a régime that had nothing to offer it. It overthrew this régime and placed its own members and followers, almost all young people, in hundreds of thousands of positions. Thirteen years have passed and meanwhile a new generation has grown up. Since its sixth year it has been trained, through the Ballila and other organizations, for service in the Party and has become acquainted only with the narrow corner of reality which it is allowed to look at there. This service has aroused demands, awakened claims. The organization to which one belongs must recompense the service adequately; it has obligations towards its members. But the Party cannot honor the bills which it has issued. There are not enough jobs for this rising generation, because young people, who are themselves the power in the Party, still occupy all the positions; and this young generation is intellectually and vocationally untrained to open up new possibilities of

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work. That is a very serious danger. Mussolini, who by exploiting a similar social tension seized power himself, is very well able to appreciate this danger. He must find for these youths adventure and careers, cost what it may.

Apparently he estimated the price far below what it now appears to be. The fatal error lay in his judgment of England. He had not reckoned with the possibility that England would offer serious resistance. Not because he fooled himself about England's interests, but because he undervalued England's strength. As a fascist dictator he was thoroughly convinced of the inferiority and weakness of English democracy. Because pacifism predominated in England, Mussolini believed that England would under no circumstances fight. In this belief he was reaffirmed by the policy of the MacDonald-Simon Cabinet, which, in spite of all Italy's open preparations for war, gave no serious warning until summer. Now Italy is caught in a trap and the dictator is the captive of his own catchwords, his own propaganda. Dictatorships are the weakest governments for they cannot go back, they must not admit any mistakes, they must at any price always press onwards along the road which they have once chosen.

Here lies the kernel of the European danger, however the system of sanctions which came into force on November 18 works out practically, however the military action in Ethiopia turns out. For Italy's position is in any event hopeless unless Mussolini comes soon to an understanding with the League, that is, with England. When and how this understanding could be reached is not to be seen at the moment. That it could be achieved by sharing the spoils with England and France is, I think, extremely improbable. England knows that she would thereby destroy the League itself and Mussolini can offer no adequate compensation. Never again could an English statesman in Geneva plead for general principles if England were to draw an unfair advantage from this conflict.

To picture the consequences of an Italian breakdown is not the aim of this article. The most serious consequences would not be felt in Africa or in the Mediterranean but in Central Europe. The key to the European situation would once again lie, as so often during the last 250 years, in Austria. There Germany's line of expansion crosses France's link with the Little Entente, and there it meets Italy's continental system.

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TWO INTERNATIONALS FIND A COMMON FOE

By Ludwig Lore

THE Seventh Congress of the Communist International held in Moscow last summer drew a sharp line under a period in the history of the international labor movement. In that period tactical errors and political intolerance towards all who refused to accept communist doctrine had crippled the aggressive force of labor and thereby contributed more than a little to the rise of fascism in Europe. Now the deliberations of the world conclave of communist leaders were devoted almost entirely to the problem of collecting the anti-fascist elements among the proletariat and the bourgeois groups and parties for a united offensive. The theoretical and tactical position of the Comintern alike in national and in international affairs was determined in every case by the necessities of this larger and more immediate aim.

This was more than a mere change in tactics. It involved a revision in the communist definition of fascism and indicated that the communists will fight the fascist menace not only with new weapons but with a new conception of ultimate aims. The reorientation was clearly outlined by the Bulgarian hero of the Reichstag Fire trial, Georgi Dimitrov, when he declared: "Fascism is not merely a change of government but the substitution of one form of bourgeois class rule for another, totally different in concept and aim. Fascism is the terrorism of the most reactionary, most chauvinistic, most imperialistic elements of finance capital." With this statement of a choice between a lesser and a greater capitalist evil, communist theory undergoes a revision as portentous as that upheld by the Social Democrat Eduard Bernstein in 1889 when he struck his first blows against the traditional Marxist conceptions.

To make his meaning doubly clear, Dimitrov explained how this new concept would affect the tactics of labor. He said that the communists had made a mistake, particularly in Germany:

> They did not see that conditions had changed when fascism first raised its head. They repeated the slogans that had been right a few years before. . . . Today we know that it is not a matter of indifference to us whether the bourgeoisie rules with democratic or with fascist forms. We stand for Soviet democracy but we will defend the democratic institutions which labor gained

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after decades of struggle to the last ditch. . . . Today the choice for the proletarian masses lies, not between proletarian dictatorship and bourgeois democracy, but between bourgeois democracy and fascism. In the period of stabilization before the danger of fascism became as acute as it is today, labor concentrated its attacks on democracy, not because it objected to its forms but because democracy, in its existing form, represented the interests of the bourgeoisie. . . .

In the opening session of the Congress on July 25, Wilhelm Pieck, who as one of the foremost members of the Executive Committee of the German Communist Party shared in the responsibility for its mistakes, spoke for the Executive of the Comintern:

In countries where remnants of parliamentarism and democratic liberties still exist, the proletariat, though bearing the heavy yoke of the capitalist system, nevertheless has the possibility, in however small a measure, of organizing to fight for its class interests. In countries with a fascist dictatorship, the proletariat is deprived of all, even the most fundamental, rights and possibilities of fighting legally for its class interests. For that reason we, the Communists, fight with all our strength for every smallest measure of democratic freedom. We fight hand in hand with all who are prepared to defend these rights. . . . From this point of view the Communists will fight without quarter for the maintenance of what still remains of bourgeois democratic rights against the fascist offensive.

The Comintern, in other words, has learned from past mistakes. Communists in other lands will not follow in the footsteps of their German comrades who supported National Socialist bills when the Nazis resorted to the familiar tactics of going Social Democratic demands one better in an effort to win the favor of the working masses. Today it seems incredible that the Communist Party of Germany should have voted in the Prussian Landtag in 1930, 1931 and 1932 *with* the National Socialists *against* the Socialists for increased unemployment and disability benefits. It is hard to believe that the communist press urged its followers in 1931 to put their signatures to a National Socialist petition for the recall of the Socialist-Democratic-Centrist government in Prussia; and that Communist Deputies in the Prussian Landtag at least five times backed Nazi votes of non-confidence against this same coalition government. French and English communists will not repeat the mistakes of their German comrades who, when Goebbels' *Der Angriff* organized a strike of Berlin's street car workers shortly before Hitler came to power, in an effort to embarrass the Social Democratic majority in the municipal administration, joined hands with labor's most inveterate

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foes. True, it was done with the idea of wresting the strike out of the hands of the Nazi leaders. That may have been clear to the party doctrinaire. The man in the street, the striking worker, saw only that Communists and Nazis were making common cause, that National Socialism must not be as black as it was painted since Communists voted for its measures and supported its actions. In 1933 these tactics bore bitter fruit when thousands of Communists and radicals fell into line behind the National Socialist régime. Had the Communist Party followed the example of the Socialist Workers Party (a secession group of left-wing Socialists and former Communists which made it its business to show the true nature and purpose of all such Nazi manoeuvers in the Prussian and Hessian Landtags) it would have avoided confusion in the minds of the workers. Who knows, it might have checked the triumphant growth of fascism in Germany and the rest of the world. The words "Social Fascist" as applied to Social Democrats have been deleted from the communist vocabulary. But the harm they have done can never be retrieved.

Two years ago the new attitude would have been rank heresy. Now it was adopted with the unanimous approval of the Comintern Executive and the acclaim of all of the 600 delegates. Times have indeed changed. In the early days of the revolution, Moscow lived in a permanent state of fear of a united capitalist offensive. It was a fundamental dogma that international capital could not and would not tolerate the existence of a Soviet nation in its midst. In the Seventh Congress of the Russian Communist Party held in December 1917 (Germany had just forced Russia to accept the shameful peace of Brest-Litovsk) Lenin declared:

> Under no circumstances can international imperialism, bound up as it is with the power of world capitalism, live in peace with the Soviet Union. The conflict is inevitable. That being the case, the Soviet Union has the difficult task of developing the Russian revolution into a world revolution. Unless the revolution breaks out in Germany we are lost.

The German revolution came — and was defeated. But the Soviets still live. International capital underestimated its own strength or overestimated that of the bolsheviks. After its first unsuccessful attempts at invasion, it ignored the Soviet Union, finally made its peace with Moscow, and entered upon economic and political relations with it. Out of this development the Trotsky-Stalin conflict was born. The former insisted on the maintenance of the banner of the permanent world revolution as the in-

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dispensable prerequisite for the development of communism in the Union of Socialist Soviet Republics. There is a widespread impression that the idea of the world revolution is a Trotskyist invention. That is not the case. In the "ABC of Communism," that text book of communist theory compiled by Bukharin and Preobrazhensky and endorsed by Lenin, we find the statement: "The Communist Revolution can be victorious only as a world revolution. . . In a situation where the workers have won only a single country, economic construction becomes very difficult. . . For the victory of communism the victory of the world revolution is necessary."

Joseph Stalin had no quarrel with these opinions when they were formulated. Nor does he deny today that a Sovietized Europe would give a tremendous impetus to the development of the U.S.S.R. He takes the position, however, that the immediate needs of his country require a different course. "We have proved," he declared in 1926, "that it is possible for the working class to seize power [in one nation] and reconstruct a capitalist into a socialist state."

No one knows better than Stalin the difficulties which beset a "socialist oasis in a capitalist desert." Though he has never expressed himself on this point, it is obvious that Stalin no longer believes in the possibility in the near future of a world revolution brought about by agitation. Stalin prides himself on being a realist and seeing things as they are. His course is charted along the line of least resistance. To him the Soviet Union is the one great existing achievement of the working class. It was created out of the blood and toil of Russian workers and peasants. It was built at the price of fearful sacrifice. To Stalin, responsible head of the Russian nation, the U.S.S.R. is the one shining jewel in the crown of the international working class, its one great accomplishment. To preserve it has become the end and aim of his existence. The world revolution and its significance for the workers of other nations fades away beside the enormousness of this task. It may be, indeed, that he believes that a prosperous contented Russia will do more to popularize communism in other lands than all the leaflets, pamphlets and books inspired and financed by outside sources. The satisfied customer has always been the best advertisement.

Each new phase in the development of Soviet Russia was reflected in the changing tactics of the Communist Parties in other

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lands. In the first period the world revolution was the touchstone of all their activity. Since then the character and methods of their work have been adjusted again and again to fit Moscow's changed international status. Moscow continued to subsidize the national sections, but much less liberally. The Comintern continued to dictate party politics in other nations; but in many cases, as for instance in Germany from 1930 to 1933, its influence was calculated to prevent rather than to encourage revolutionary uprisings.

With the coming to power of National Socialism in Germany, and the imminence of a Japanese invasion after the conquest of Manchuria, world communism faced a new set of conditions. As against this new danger for Russia, every other consideration dwindled to insignificance. At present, Stalin's formula for the protection of his land against invasion on the west by Germany and Poland and on the east by Japan, actually runs counter to the interests of the world revolutionary movement. What Soviet Russia wants today is not a revolutionary Europe but a Europe so stable and so solidly entrenched in the traditions of democracy and liberal government that it can resist the spread of the virus of National Socialism and fascism. Three years ago the Comintern discouraged a united front and a revolutionary uprising in Germany, refusing to read the handwriting on the wall that presaged the coming of the Nazi régime. Today it fears a revolution in France would be a signal for a new offensive by Germany, Italy and — who knows? — Great Britain, against the Soviet Union. In this extremity the Communist International has lost faith in the ability of the world's laboring masses to protect the Soviet state. It places its reliance instead on an anti-fascist People's Front and on military alliances with the governments of France and Czechoslovakia, to be followed, if possible, by similar treaties with the governments of Rumania and Jugoslavia to complete the iron ring about the Third Reich. It is with this background in mind that one must evaluate the Congress of the Comintern and the whole problem of a labor movement in an explosive world.

Until fascism made its appearance as a serious factor in European affairs, the position of the labor movement in questions of foreign policy, arms and war, was fairly clear. There were two distinct conceptions, the pacifist one of the parties of the Socialist (Second) International and the revolutionary anti-militarism of the Communist (Third) International.

The Socialist Parties looked to the League of Nations for the

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preservation of peace. They heralded every new international agreement — the Kellogg Pact and all the other non-aggression pacts which condemned war and threatened the peace violator with international sanctions — as a step in the direction of the Brotherhood of Man. They favored disarmament and considered the reduction of arms a practical approach to this millennium. They stood for a policy of conciliation and understanding between nations and demanded the abrogation of all treaty regulations which stood in the way of such understanding. They promised to mobilize the working class against war. In 1922 the peace conference of socialist trade unions held in the Hague resolved to meet the threat of war with a general strike against the aggressor. It was understood, however, that the Social Democracy of any nation would support its government in a war of national defense. Consistent with this stand, the Social Democracy must vote for armaments to the extent required for the safety and security of the nation. The Swiss party was the only one in Europe which denounced all armaments and repudiated the obligation to come to the defense of a capitalist system. But in the end it too — in the spring of 1935 — voted in convention to defend the nation in case of aggression by a fascist power and to provide the necessary means for this defense.

So much for socialist theory. In practice these fundamentals were variously applied. In Germany a socialist government (1918–1920) maintained an army in the Baltic region against revolutionary Russia and gave financial aid out of state coffers to counter-revolutionary Tsarist regiments. In later years the Socialist Party as a party in the Reich Government, and still later as a friendly and tolerant supporter of the bourgeois régime, voted for the military budget although there was no immediate fascist menace in view.

In France, Paul Boncour, as a socialist member of a bourgeois government, worked out a plan of national defense based on the mobilization of the entire strength of the nation in case of war, and the Socialists in Parliament were instrumental in securing its adoption. This plan was a revival of the Jaurès idea of the "armed nation," providing a short term of service in a people's militia, which the bourgeoisie had refused to entertain before the World War. In its reincarnation it became a thing Jaurès never dreamed of. But it was acceptable to the Chamber of Deputies and made rearming palatable to the French people. The socialist and labor

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parties of Great Britain, the Scandinavian countries, Belgium, Holland, Spain and other nations of Western Europe which had members in the governments or exerted influence in the parliaments, habitually voted for military budgets or, at least, offered no fundamental objections.

In practical aspects of foreign policy, in the matter of the Versailles Treaty and in questions of national security, there was no real agreement between the parties of the various countries. Each solved these matters in accordance with national interests, *i.e.*, in accordance with the interests of its capitalist class. In the realm of foreign policy, the Second International was little more than arbitrator between the various national units.

Both in theory and in practice the Communist International opposed the Social Democratic point of view. While the policy of the latter was based on the conception of national defense, the former saw proletarian Russia engaged in an irreconcilable conflict with the capitalist nations of the world. The foreign policy of capitalist nations, the communists maintained, is determined not by the interests of the masses, but by the competitive struggle of one ruling class against the other. The working class, they said, has no interest, direct or indirect, in this conflict of national capitalist groups. They repudiated the League of Nations, peace pacts and arms reduction programs as instruments used by world capital to still the fears of credulous souls. To them, peace machinery served the dual purpose of deceiving and disarming the masses and upholding the special interests of the most influential national groupings. The only real guarantee of peace, they insisted, lay in the strength of the organized working class and in its readiness to act in self-defense. Opposition to armaments was a matter of principle because armaments were imperialist tools and were the ultimate protection of the rulers against the oppressed.

It was the position of the Comintern that the relative strength of capital and labor in each country must determine the weapons to be used against the capitalist class. It is significant that the national Communist Parties were warned against the belief in the universal effectiveness of the general strike. They were instructed to act in accordance with the principles laid down by the Socialist International Congress of 1907 which resolved to give no aid to imperialist Powers in case of war and to use the discontent of the masses to accelerate the overthrow of the system. It reiterated, in

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other words, what had once been fundamental socialist policy: that revolution is the only cure for war. In addition, the Communist International made it the duty of the international labor movement to support the U.S.S.R. in any war waged against it by a capitalist state. The same policy was to be followed in a conflict between suppressed colonies or nationalities and their imperialist oppressors.

The victory of National Socialism in Germany sent these ideas to the scrap heap. A new factor arose to upset all previous calculations. The labor movement, pacifists, and refugees from the German speaking lands, all suddenly saw that fascism must be destroyed before it paved a way for world dictatorship and put an end to all hopes of liberation. Hitlerism and war became almost synonymous conceptions. Hitlerism meant revenge for past wrongs, conquest, and the ultimate subjection of all Europe. Given time, German industry would with its superior productivity and unquestioned authority, become invincible. Official Nazi propaganda would whip the German people into a frenzy of patriotism. The Nazis would be playing with marked cards in a war game of their own choosing. Thus they reasoned, these anti-fascists, and they saw their only way out in a united offensive of the democratic nations of Europe against Hitler's Germany. The European working class — to protect itself against fascist barbarism and to save the culture of centuries — must be prepared to make a supreme sacrifice in a great crusade. In Europe two years ago, the writer found revolutionists of all shades of opinion advocating such a preventative war by the democratic Powers as the most promising method of combating Hitlerism. Such a policy might have had a fighting chance so long as Germany was unprepared for war.

Who would deny the fascination of such logic! Nevertheless, it met the determined opposition of other revolutionary elements who called it defeatism. They maintained that a working class which — impatient, or counting the cost of any other course too great — would turn to capitalism to defeat the fascist menace, was digging its own grave. Can labor, they asked, look to the bourgeoisie to fight its battles? Is it true that war between a fascist and a "democratic" nation is a war of democracy against fascism? Is it not true that *all* these nations are on the road to dictatorship? Such wars as will be fought will arise from imperialist competition for territory, possessions, trade and markets.

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They declared that "Democracy versus Fascism" as the slogan of the next war was as misleading and dishonest as "A war to end war" was twenty years ago. They warned the forces of labor against steering their course by a bugaboo. They insisted that Germany's military power had been overrated. No people could fight and win against a background of concentration camps. What guarantee had the working class of the "democratic" nations that their governments would not adopt Germany's methods tomorrow?

To a great extent all this was and is speculative. Nevertheless, the idea of a preventative war against fascism is still strong in many of the parties of the Second International and is plainly discernible in their reaction to every-day political problems. In Czechoslovakia, for instance, the two Social Democratic parties (Czech and German) reacted to Hitler by affiliating more closely to the respective bourgeois parties and by adopting programs for greater militarization. In Switzerland, the possibility that German troops might tramp to France over Swiss territory brought a complete reversal of socialist attitude. Up to the time of the February uprising in Vienna, the Austrian Social Democracy looked to France and the Little Entente for protection from the dangers of National Socialism on the one hand and from Heimwehr fascism with its close alliance to Mussolini on the other.

The exiled German Socialists in particular carry on a tireless propaganda for an active and unified policy by the Powers against the Third Reich. The leaders feel that such an alignment would not only have prevented Germany from rearming, but would give the Nazi régime something to think about before undertaking the venture of another world war. It is hardly surprising that these parties should be sharply critical of the tolerant attitude of the British Government and the pacifist British Labor Party, which is also an affiliate of the Second International. Richard Kern (pseudonym of a noted Social Democrat theoretician living in Paris) comments on this situation in the April 1935 *Zeitschrift für Sozialismus*, of Basel, as follows:

> It is the fault of British labor that the Socialist Parties of Western Europe did not take the lead in their respective nations in 1933 and 1934 in the movement against National Socialist aggressions. At that time such an offensive could have been undertaken with a fair chance of success against the as yet inadequately armed Reich and would have given the Socialist Parties leadership in their respective countries. . . . Ours is the choice between militant

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self-defense and capitulation. And since it cannot be the sense of a socialist policy to capitulate before the greatest and most dangerous force for fascism, resistance alone remains, and that in the only form which holds out hope for success — military superiority.

By and large this may be taken as an expression of opinion as it exists in the German socialist movement. Its leaders favor the creation of a constellation of military powers so superior to Hitler and the Nazi military machine as effectively to discourage their war enthusiasm. They greeted the Russo-French alliance with approval, even forgetting their old hatred for the Soviet régime, and openly favored a policy of high-pressure militarism for those nations antagonistic to Hitler.

In this chorus of yeas, the negative position taken by the British Labor Party is the more irritating to its brother parties since these feel, and not without reason, that other considerations are prompting the Labor Party to condone the Nazi terrorists. British laborites, they claim, are taking their cue from the traditional policy of Great Britain in foreign affairs, that of maintaining a balance of power on the continent. Britain has aimed to prevent a close alliance against the Reich under French leadership, as she has sought to check the rise of Russia by maintaining an ever-present German menace. So it was that Great Britain built up her empire.

These accusations are not without a certain justification, although England's labor leaders are sincere in their opposition to war. In 1914 men like George Lansbury managed to reconcile votes for naval and military budgets with religious pacifism. Only a few isolated members of the Independent Labor Party, among them Ramsay MacDonald, persevered in their anti-war position. The British unions not only supported the government in the war; they carried on an aggressive campaign against German goods, backing up their industrialists in "patriotic" efforts to drive the Germans out of the world market. But the truth is that British labor is motivated by neither pacifism nor nationalism in its stand on sanctions. The Trade Union and Labor Party congresses of September 1935 voted for punitive measures against the Italian Government because they believed that a victorious Mussolini would give a new impetus to international fascism. Fascism is regarded as the greatest danger to an independent labor movement at the present time. It seems reasonable to assume that the English workers have learned their lesson and will

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be less tolerant in their acceptance of Nazi aggressiveness than they were in the past.

Like the British Labor Party, the Socialists of France (S.F.I.O.) are vehemently anti-militaristic, but from a wholly different point of view. Leon Blum, their leader, has declared that Germany's armament policy must be deprived of the moral justification it received when the other nations of Europe armed in defiance of peace treaty restrictions. He is the outstanding representative of the idea that Germany's opponents must disarm, at the same time inviting the Reich to participate in their agreements. Political and economic sanctions would be applied in case of refusal to go along. The French party arrived at this position as a result of practical rather than idealistic considerations. It accepts the necessity of national defense but knows that the French people, in their present temper, will not consent to the burden of increased armaments. It feels that France cannot hope to compete with the Reich when it comes to the building of a super war machine.

While negotiations were under way between France and the Soviets for a mutual defense alliance, the Communist Party of France continued to act in accordance with accepted party doctrine: opposition to capitalist militarism in peace time and to imperialist governments in time of war. But long before these negotiations took on concrete form, the discerning eye might have noticed the first signs of a coming reorientation. In the debate on the 1934–35 budget last February and March, the Communist Deputies in the Chamber spoke with feeling on minor matters. The measure to grant free railroad fares to soldiers on leave drew their fire. But in the discussion of the major issues — military credits and the extension of compulsory military service — they remained silent. Only when the rank and file rose in revolt against the new measures did the Party launch an active campaign.

Then, early in May, Premier Laval went to Moscow. When the official statement announcing the mutual defense pact was given out, it was accompanied by an official communiqué which contained the following statement: "Above all the duty falls on them [the French and Russian Governments], in the interest of maintaining peace, not to allow their national defense to weaken in any sense. In this regard Mr. Stalin understands and fully approves the national defense policy of France in keeping her armed forces at a level required for security." The bourgeois

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press in France accepted Stalin's declaration with sincere appreciation. It commented warmly on the praiseworthy attitude of this most influential man in the Communist International, who "sacrificed sterile principle to the needs of the state" and indicated that this was only the first of a series of similar concessions. It was generally taken for granted that the communiqué would end communist opposition to military expenditures and conscript service.

The communist press was apparently taken completely by surprise. For once, Peri, foreign expert of *Humanité*, had nothing to say. After all, only two weeks previously the Communists had proposed a merger to the French Socialists, asking only that the S.F.I.O. promise never to vote for war credits or a military budget. After a few days, Vaillant Couturier, the most effective communist propagandist in all France, ventured an explanation. Stalin's statement was a matter of routine. Nothing had been changed. The Communist Party would continue to fight two year conscript service, armaments and war. The Communist Party would not recognize the sanctity of the "Union Sacrée" (civil peace), in peace time or in war. But on the same day *Humanité* editorialized as follows:

> The Communists do not object to the army as such. They do not repudiate the conception of a fatherland. They demand for the working masses the right to fight for *their* flag, for *their* fatherland. Until that time comes they will protect the material and cultural wealth of the nation. . . . We have a definite concept of international class defense and we apply it to actual conditions. The Soviet Union is our bulwark that we will protect against all enemies, against French and German Hitlerism, at the moment the two greatest dangers. That our Comrade Stalin, requested to do so by M. Laval, should have declared his approval of French armament measures — what could be more natural? Should he have expressed disapproval? Surely this is not to be taken seriously.

Stalin's word to the wise was sufficient. For the present the Communist Party prefers to take an equivocal position. It will vote for warships and arms — but will not alter its anti-militarist position. Said Socialist Leon Blum:

> Stalin's statement, reduced to its simplest terms, involves consequences which the Socialist Party has at no time been willing to accept: the obligation of national defense under any and all circumstances, unquestioning approval of the government's military preparations and what amounts to approval of the government thesis of "Security through military preparedness." Indeed, the Stalin formula leads in a direct line to a conception the dangers of which were

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clearly envisaged by the recent conference of the Second International, the concept of the "Union Sacrée" of the last war under which the workers, faced with the danger of invasion, are drawn into war preparations.

We have here the highly entertaining spectacle of a socialist leader criticizing communism from the Left! But things move rapidly in Europe and already a new situation has arisen. The Communist Party, in conformity with its new policy, advocated the idea of a Leftist government of Communists, Socialists and Radical Socialists, and including even right wing politicians if their republicanism was beyond question. The Socialists went along with serious misgivings. On the other hand, the left wing of the bourgeois-liberal Radical Socialist Party, under Daladier, was all for the idea of a *Front Commun*, chiefly because it meant that communism would abandon its negative attitude on national defense. For a while Edouard Herriot, President of the Radical Socialists and leader of its right wing, held out against this new alliance. He conquered his reluctance, however, when it became evident that the activity of the *Front Commun* had driven Laval so far to the right that coöperation between the government and the fascist groups seemed all but certain.

This may or may not have been the case. The suspicion was fortified by the Premier's toleration of the increased militarization of the *Croix de Feu* and other fascist leagues. Fascist troopers fully armed with machine guns, airplanes and all other paraphernalia of war were allowed to conduct public manoeuvers on a large scale. Not until October, when the Radical Socialist Congress met to discuss its new problems and the left wing demanded the suppression of these menacing demonstrations, did Laval issue his "decrees for the protection of the Republic." Neither the Right nor the Left paid much attention to them, but they served their purpose in that they gave Herriot the chance to repudiate any move to set up a Leftist government in place of Laval's and openly to renounce any intention of taking the Premier's post.

Unquestionably the idea of an anti-fascist bloc originated in Moscow where it appeared to Russian statesmen as the policy most likely to safeguard the Franco-Russian alliance. That it would give the French Communist Party an excuse for a new departure into a pro-armament policy was merely by the way. Moscow felt that its understanding with Laval was a makeshift affair at best. The fact that the French Premier had put off the discussion of that instrument month after month while he flirted with Berlin

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had given rise to serious calculations. It is not generally appreciated that the agreement still awaits ratification by the French Chamber of Deputies. On November 18 the Premier let it be known that this formality would be attended to as soon as the Chamber should meet.

Until very recently there was little effort by the international radical and labor movement to reorient its position on war. There was a great deal of discussion in German émigré circles and organs but it got nowhere. But now things have begun to move in earnest. The Labor Party of Great Britain and the Socialist Party of France exchanged views for joint action against war. Otto Bauer, Austrian Socialist leader, Theodore Dan, leader of the Russian Mensheviks, Jean Zyromski, leader of the left wing of the French Socialists, presented a thesis on war — substantially endorsed by Friedrich Adler, secretary of the International — to the world socialist movement for consideration and action. The authors of this document hope that a united policy will save labor from the destructive effects that attended the last war. It assumes that the next conflict will find Hitler and his allies arrayed against the Soviets and declares that only "a decisive defeat of German fascism and the establishment of the proletarian revolution in the Reich can save the international labor movement from destruction."

The Socialist Workers Party of Germany and the Trotskyite organizations share the belief that only governments under workers' control can be relied on to wage a fight to the finish against fascism and for the defense of the Soviet Union. They insist that Russia would not have had to resort to alliances of such dubious value if the unfortunate tactics of the communists in the past had not so weakened the labor movement that it cannot be relied upon to protect the U.S.S.R. They call attention to the consequences which may arise out of these alliances in the engagement of the Russians in the defense of capitalist, imperialist enterprises.

These accusations are fully justified. If the socialist parties undermined the future of the labor movement during and after the World War by their negation of all that had once been fundamental to socialist thought, it is equally true that the parties of the Third International made mistakes no less serious in their effects. That they were errors in tactics and methods did not mitigate their destructiveness. Speakers at the Comintern Congress admitted

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this freely. The amount of political self-immolation a communist leader can express in public without losing standing with his followers has always been one of the miracles of the movement. Men with the standing of Pieck, Dimitrov, Ercoli and others admitted that the Party had "isolated itself from the masses" by splitting trade unions; that it had confused the masses by "refusing to differentiate between socialists and the fascist bands of supercapital;" that they had "been sectarian in their application of united front tactics," had "adapted themselves too slowly to world events," had "underestimated the fascist danger," and "followed out a destructive policy toward the peasant and middle classes." There were contrite references to the "inflated language of our literature" which "even Party functionaries find it hard to understand." All this and more was said at the Congress last summer. How many were expelled from the Party for less in the last ten years! And it is a moot question indeed whether Social Democracy would have gone so far to the Right had it not been for the pressure of these errors and mistakes on the part of the Left.

The Communist International, founded by Lenin, was based and built on the collapse of the socialist movement in the World War. Its parties had proved themselves broken reeds for the peoples of the earth to lean upon. The onslaught of war had shown that the Social Democracy in almost every land was more concerned with national interests than in the job of international socialism. The Third International was founded by those elements which felt that the old organization had not kept faith with the working class.

The Seventh Congress of the Communist International has now committed its member parties throughout the world to a program which comes perilously close to that of the pre-war movement. Panic-stricken by the danger that Nazi Germany presents to the land of the Soviets, the old program of struggle against imperialist war has been rudely dumped overboard and a new concept of "justifiable war" has become the law of the communist movement. It is understandable that concern for the U.S.S.R. should vitally affect radical policy. But by the edict of the recent Congress the communist parties abroad become to a great extent the foreign legions of the Soviets.

Does that mean that the time has come for the creation of a Fourth International, as propagated by the adherents of Leon

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Trotsky? Under normal conditions, in a period less laden with war and fascist dynamite, the question might be answered in the affirmative. Under present conditions a new International is from the outset doomed to failure. Where are the parties which would support it? Small groups and scattered individuals, without influence or political meaning. At best, a Fourth International would be the plaything of political isolationists and doctrinaires.

Theses and theoretical discussions are necessary. But they mean very little by themselves. The situation cries for mass parties and mass movements, for organizations so all-inclusive that there is room in them for all class-conscious elements, industrial and agricultural, together with the progressive anti-fascist elements of the lower middle class. Nothing less than that will be big enough and powerful enough to call a halt to fascism and war. Unless this united front of all progressive elements comes, and comes soon, the workers of the world will have to tread again the path of 1914.

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CAN ITALY LIVE AT HOME?

By Gaetano Salvemini

ITALY possesses scanty quantities of iron, coal, copper, and potash and must import from abroad her whole supply of petroleum, cotton, rubber, and phosphates. She is almost self-sufficient as regards chemicals and nitrates. But she is really self-sufficient only in sulphur, mercury and aluminum.[1] She can reduce her imports of coal by turning her water power into electricity. But electric power is economically profitable only when the price of coal is high. As soon as coal drops in price it becomes preferable to electricity. In the present state of technique, Italy is handicapped in comparison with those countries which can obtain raw materials without paying heavy freight charges. She is and must remain first and foremost an agricultural country.

Even so she cannot nourish her entire population. On a total area of only 120,000 square miles, she must support 42,500,000 inhabitants. Yet one-third of Italy's land is unfit for cultivation. Consequently she must import large amounts of foodstuffs, as is indicated by the following table:

	Cattle (number of head)	*Frozen Meat (tons)*	*Salted and smoked fish (value in lire)*
1930	265,000	66,500	232,000,000
1931	176,000	54,890	180,000,000
1932	81,000	48,840	107,000,000
1933	121,000	46,200	120,000,000
1934	141,000	48,620	128,000,000

How does Italy pay for her imports? In three ways: she exports her own products and services; she sells services and goods to tourists; and she receives remittances from her emigrants. If any of these sources of international income decline, her imports undergo a parallel decline and her population must sink to a lower standard of living. In recent years all three of these sources have been curtailed. As a way out of this impasse Mussolini proposes to conquer Ethiopia, where he expects to find for his people raw materials to exploit and an abundance of lands to colonize.

II

Would the conquest of Ethiopia help Italy to solve her population and raw materials problems? The area of Ethiopia — 350,000

[1] Brooks Emeny, "The Strategy of Raw Materials." New York: Macmillan, 1936, 174 ff.

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square miles — is about three times that of Italy. It is divided climatically into four zones: the highlands above 8,000 feet; the temperate zone, between 8,000 and 5,000 feet; the tropical zone, between 5,000 and 2,500 feet; and the desert lowlands, under 2,500 feet. The cold climate of the highlands is not suitable to labor of any kind; not even in Italy are high mountains cultivated. Neither are the desert lowlands suitable for any sort of labor. The tropical zone is in general very fertile. It can grow coffee, cotton, sugar, but its climate is deadly for white labor. Italians might form a dominant class exploiting the natives, if exploitation were economically profitable. But masses of Italian emigrants could never be absorbed by a country with such a climate.

There remains only the temperate zone, the so-called plateau, which enjoys an excellent climate. But its altitude makes steady manual work impossible for men from lowlands. The rarefied air does not supply the body with the oxygen necessary for sustained work. The body must compensate the deficiency of oxygen with a more intense respiration, which tires the lungs and the heart. Only quite robust individuals succeed in acclimating themselves.[2] It is significant that in Italy only one percent of the population lives at an altitude of more than 3,300 feet.[3] The correspondents accompanying the Italian army in northern Ethiopia naturally try to avoid cabling anything displeasing to the Italian military censors. Nevertheless, one of them (*New York Times*, Oct. 21, 1935) felt obliged to report that the labor for the construction of roads in the occupied territory was being carried on "under physical conditions which the natives themselves cannot stand . . . The strain on the heart is very noticeable, and fatigue comes almost immediately upon exertion."

Italian labor is aware that African highlands do not suit it. Thus it has always fought shy of the plateau of Asmara, a continuation of the Ethiopian plateau which for forty years had been under Italian political control. In 1931 there were living on the Asmara plateau only 84 Italian farmers.

Even were there not this difficulty of adaptation to altitude, Italy would still have to overcome another obstacle in Ethiopia, the economic one. Italian emigrants do not as a rule leave Italy in order to become farmers in undeveloped and uninhabited coun-

[2] *Cf.* R. D. Ward, "Climate Considered Especially in Relation to Man." New York: Putnam, 1918, p. 269–270.

[3] "Annuario Statistico Italiano: 1934," p. 5.

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tries. They seek employment in rich countries where wages are high. Colonial agriculture requires capital and the Italian emigrant seldom possesses capital; nor does he find that colonial agriculture affords him the quick profits he wants. In this respect the experience of the Asmara plateau is decisive, as can be seen from the following paragraph written in 1930 by Signor Zoli, former Governor of Eritrea, a hundred-percent fascist:

> Ever since the first days of our occupation various attempts have been made to utilize the agricultural resources of Eritrea to the advantage of our national economy. Colonizing the plateau with Italians at first seemed a satisfactory solution. This experiment was based on the erroneous idea that small agricultural proprietors with a capital of thirty or forty thousand lire would spontaneously and easily betake themselves to the colony, attracted by the low cost of the land. As a matter of fact our emigration has always been the result of two factors: unemployment connected with our lack of capital, and the hope our emigrants cherish of finding wages higher than those prevailing in Italy in order to amass that small capital which can assure comfort and economic independence. When the dream of importing farmers with a small capital into the colony proved illusory, recourse was had to subsidized workers. But since the subsidies were not kept within proper limits they led to a complete paralysis of private activities. When this experiment failed a new attempt was made at creating small farms of around 25 hectares [62 acres], entrusted as a rule to people who did not have to live exclusively by the products of the land but exercised some profession or trade. These new farmers lacked not only the technical assistance of government experts, but also that capital which in a new country, especially one so undeveloped and difficult as Eritrea, the government should provide in the form of protective measures and loans. This state of things spread the conviction that the colonization of the plateau, or at least the agriculture carried on by Europeans on the plateau, was uneconomic. This conviction led to the establishment of the present system by which the plateau and the slopes of the mountains are reserved to the natives and the lowlands in the east and the west, at least in those parts susceptible of irrigation and therefore worth the investment of capital, are reserved to Italian concessionaires.[4]

In the temperate zone, as in the torrid zone, a more intense cultivation of the soil would undoubtedly be possible through the work of natives directed by European technical experts. But this would not solve the problem of Italy's surplus population.

The Ethiopian plateau, on the other hand, is but a chaos of mountains, canyons, peaks and cliffs piled helter-skelter on a high table-land. How many billions of dollars will be necessary to construct roads and bridges and break the ground in such a country? To furnish the huge capital necessary for large-scale developments the Italian Government would have to bleed the mother country

[4] C. Zoli: "L'avvaloramento agricolo dell'Eritrea," in *Rassegna Italiana*, May 1930, p. 203–204.

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dry. The conquest of Ethiopia, far from remedying the lack of balance between population and resources in Italy, would aggravate it.

Only 52,419 Italians resided in Italy's African colonies in 1931.[5] If one subtracts soldiers, civil servants, tradesmen and workers employed on public works, one finds that during forty years there emigrated to all the colonies not more than 1,901 Italian farmers, divided as follows: 1,361 to Tripolitania, 256 to Cyrenaica, 200 to Somalia, and 84 to Eritrea.[6]

This phenomenon is universal. England, with the greatest colonial empire in the world, has 2,000,000 unemployed. Holland is trying to solve her population problem, not by sending her workers to the East Indies, but by draining the Zuider Zee. Belgium finds that the Congo in no way serves as an outlet for her dense population. France has built her colonial empire with her capital and her bureaucracy, not with her workers. In all Africa (total area 11,500,000 square miles) there are scarcely 3,500,000 Europeans, of whom 1,200,000 are in Tunisia, Algeria and Morocco where the climate is very similar to that of southern Europe, and 2,000,000 in South Africa, which belongs to the temperate zone. The remaining 300,000 Europeans are dispersed over regions analogous to those which Mussolini wants to conquer in East Africa: 104,000 in the English colonies; 40,000 in the French; 65,000 in the Portuguese; and about 60,000 in the Italian. After one has subtracted troops and civil servants, what remains of those 300,000 white men? Germany in the twenty-five years which preceded the World War, in spite of her high birth rate, sent annually to her 1,030,150 square miles of African colonies on an average only 1,500 persons, and in 1911 her colonial empire contained only 15,891 Germans.

III

Italy would be condemned to hunger, war or anarchy if there were no solution to her population problem other than colonial conquest. Fortunately, colonial conquest is not the only solution.

It is not true that the population of Italy "increases at the rate of 450,000 a year," as Senator Forges Davanzati wrote in *Current History*, October 1935 (page 14), or "by 400,000 and 500,000," as

[5] *Bollettino Mensile di Statistica*, September 21, 1935, p. 707.

[6] *Popolo d'Italia*, July 21, 1935. According to the "Annuario Statistico: 1934", p. 244, the 1,361 persons who in 1931 composed the families of farmers in Tripolitania had risen to 6,500 in 1933.

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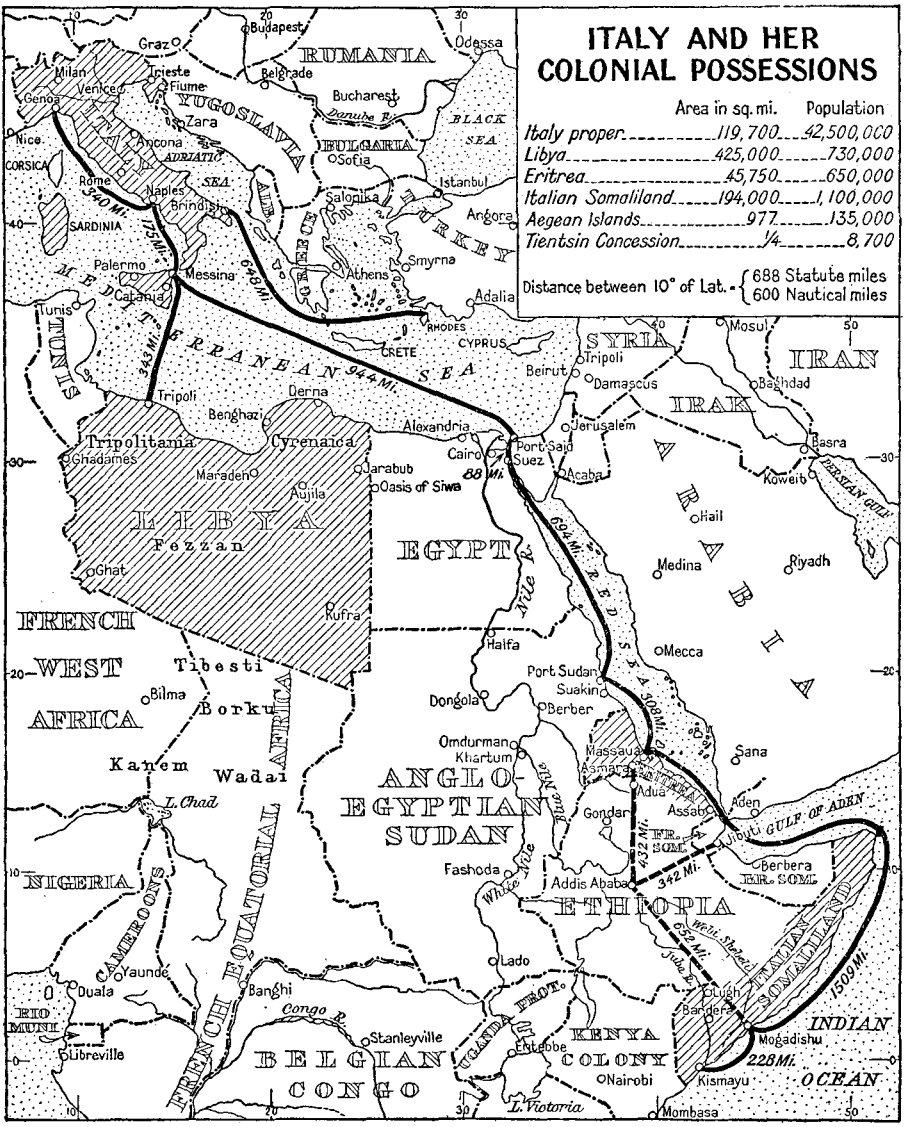

Italy's colonial empire contains 665,727 square miles and 2,623,700 inhabitants. Adding these figures to those for Italy herself, we have a total of 785,427 square miles and 45,123,700 inhabitants. In time of peace, the Italian (and other European) population of Italy's colonial possessions is approximately as follows: Libya 50,000; Eritrea 4,500; Somaliland 2,000. The Aegean Islands (the Dodecanese) are technically not a colony but a "possession." Their population is largely Greek, with small Turkish and Jewish minorities. There are probably not more than a thousand Italians in the islands. The native population of Italy's African colonies is Mohammedan, with the exception of about 265,000 Copts (in Eritrea), 40,000 Jews (mostly in Libya), a few thousand pagans (in Eritrea), and a handful of Catholic converts here and there.

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Mr. Cortesi zealously reported in the *New York Times* of October 20, 1935. The census of 1921 gave 38,710,000 inhabitants.[7] This figure was given in Italian statistical documents, except for slight modifications, until 1931.[8] In the "Annuario Statistico" for 1932 (page 27), we find that in 1921 there had been only 38,033,000 inhabitants in Italy. What had happened to 700,000 souls?

Professor Gini, president of the Italian Central Institute for Statistics, had arrived at the conclusion that the census of 1931 would give Mussolini 41,979,000 subjects.[9] Gini had obtained this figure in the following manner. Using the 1921 census as a basis, he each year subtracted the losses (deaths and emigrants) from the gains (births and repatriations), which left a net gain to add to the previous total. Thus would have been fulfilled the prophecy of Mussolini, who since 1926 had made out that Italy had 42,000,000 inhabitants,[10] whereas the official calculations for the middle of that year gave a figure of 40,200,000.[11] Gini, however, did not take clandestine emigration into consideration. As far back as the census of 1911 it had been discovered that the country had 400,000 inhabitants less than there should have been.[12] It was thought that this discrepancy was due to clandestine emigration. In the decade 1921–1931 clandestine emigration was certainly quite intense, for several reasons: because the restrictions of the United States, Canada and Australia obliged many to enter those countries without a regular passport; because under the fascist régime many thousands of political outlaws left the country secretly; and because the Fascist Government, beginning in 1925, imposed limits and restrictions on emigration which were contrary to the interests of the emigrants, thereby compelling an ever-increasing number of them to leave clandestinely. A fascist journalist in 1929 calculated that from March 1926 to December 31, 1928, 80,000 foreigners had entered France clandestinely and that of this number the Italian element had "a good share."[13] The real figures must be much higher. It appears that in 1930 there were in France at least 200,000 Italians without passports. It is no wonder, therefore, that in the census of 1931 Professor

[7] "Annuario Statistico Italiano: 1922–1925," p. 13.

[8] 38,755,000 in "Compendio Statistico: 1928," p. 23; 38,724,000 in "Annuario Statistico: 1930," p. 24; 38,769,000 in "Compendio Statistico: 1931," p. 10.

[9] *Bollettino Mensile di Statistica*, May 21, 1931, p. 451.

[10] Speeches of February 6 and 10, 1926, and May 26, 1927.

[11] "Annuario Statistico Italiano: 1927," p. 14.

[12] "Annali di Statistica," Series VI, v. III, 1929, p. 120.

[13] *Lavoro Fascista*, October 30, 1929.

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Gini, contrary to his cherished hopes, found that the population was only 41,179,000, a deficit of 800,000 persons. According to this, then, the population had risen from 38,700,000 in 1921 to 41,200,000 in 1932, an increase of only 2,500,000, that is to say 250,000 a year. In order to do away with this scandal, Professor Gini caused 700,000 souls to disappear from the census of 1921, thus bringing the ten-year increase up to 3,200,000, or an annual increment of 320,000. Professor Coletti (*Corriere della Sera*, May 6, 1932) commented on this elegant arithmetical operation in the following terms: "The figures of the preceding census have probably been reduced and thus there has resulted an increase." It was known as long ago as 1924 that there had been errors and frauds both of excess and of deficiency in the census of 1921.[14] In the census of 1931 there likewise were irregularities, which in the case of Catania led to the dismissal of the Prefect of the province and of the Mayor of the city.[15] However, it seems incredible that in 1921 there could have been an error of 700,000.

In any case, one fact is sure — that the annual increase of 450,000 or 500,000 is a sheer invention, that the probable increase is 250,000, and that even if we accept the conclusions of Professor Gini we have an increase of only 320,000.

A factor in slowing down the increase of population was the noticeable drop in the birth rate. Mussolini himself, in his speech of May 26, 1927, deplored this fact:

> We are wont to say that Italian population is overflowing. This is not true. The river is no longer too full; it is rapidly receding to its normal channel. From 1881 to 1885 we had our highest birth rate. During this period an average of 38 babies were born for every 1,000 inhabitants. The maximum was reached in 1886, with a birth rate of 39 per thousand. Today we are down to 27. In several sections of Italy the birth rate has already fallen below 27 per thousand. It is time to tell you these things and to destroy false and treacherous deceptions which can only lead to a dreadful awakening. In order to be of importance in the world, Italy must begin the second half of the present century with at least 60 million inhabitants . . . If our number decline, gentlemen, we shall not found an empire, we shall be degraded to a colony.

After the Duce had issued his order that Italian women should breed him 60,000,000 subjects by 1961, the Italian birth rate dropped even more precipitously. From March 1928, that is to say from exactly nine months later, when the imperial command should have begun to bear fruit, to December of the same year,

[14] "Annali di Statistica," Series VI, v. VI, 1930, p. 63.
[15] Official communiqué to the press, October 13, 1931.

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Italy had 23,000 fewer births than in the corresponding months of the preceding year. Here are the figures of births since 1927:[16]

	Births	*Per 1,000 inhabitants*
1927	1,093,772	27.5
1928	1,072,316	26.7
1929	1,037,700	25.6
1930	1,092,678	26.7
1931	1,026,197	24.9
1932	990,995	23.8
1933	995,979	23.7
1934	992,975	23.4

A general and permanent strike seems to be going on in Italy. Mussolini owns his subjects' working hours; but he cannot control what they do in the privacy of their homes. One is tempted to guess that the speeches and writings of the Duce and other Fascist chieftains and the noisy journalistic campaign against the "horrible crime" of birth control has had one paramount result, that of spreading knowledge about it among many innocent souls. In 1901 when the population was 32,500,000 the births amounted to 1,057,000. Last year, with a population of 42,500,000, there were 64,000 births fewer than in 1901. In the next quarter of a century the drop in the birth rate is likely to become more pronounced. The decline in the death rate will reach a limit that cannot be exceeded, while official and clandestine emigration will continue to drain off a certain number. The population will cease increasing.

IV

Even if it is not so desperate as Mussolini would have us believe, a population problem will nevertheless exist in Italy until the decline in the birth rate establishes a balance between the population and the means of subsistence. For many years to come the problem of finding work for the newcomers will have to be solved. How can it be solved? I do not know the date when chemistry and agrobiology will succeed in revolutionizing agricultural production in such a way that all countries become self-supporting. But it is a fact that even without waiting for science to perform the miracle of multiplying the loaves and the fishes, much can be done to augment production and extend a higher standard of living to a greater population even in a country naturally as poor as Italy.

[16] *Bolletino Mensile di Statistica*, September 21, 1935, p. 709.

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As long ago as 1882 Parliament passed laws providing for the reclamation of swamp land. By 1915, a total of 820,000 acres had been reclaimed for agriculture; 1,007,500 more were ready for the plow but were awaiting the draining of adjacent lands; while on 1,096,600 acres work was still in progress. The province of Ferrara furnished a striking instance of what can be done by applying human intelligence and labor. Agricultural production in this province during half a century shows the following increases:

	(1862–1871 average)	1912
Wheat	25,495 tons	63,130
Corn	1,373 tons	9,300
Hemp	7,503 tons	16,250
Sugar beet	—	68,735
Cattle	70,325 head	110,323
Population per sq. mile of cultivated area	259	402

The expert who published these figures in 1924 wrote: "The example offered by the province of Ferrara is an exceptionally good one in that 250,000 acres out of the 500,000 which composed the entire arable surface of the province have been reclaimed since 1870. Not a few Venetian provinces could be cited to equal if not greater effect." [17]

The reclamation of the island of Ariano (30,000 acres), completed in 1906, cost the state only 2,829,722 lire. In 1922 the state received in various forms of taxation from this area a sum five times as great. The population of the district rose from 15,538 in 1901 to 25,572 in 1921, and the head of cattle from 3,695 to 8,557. In 1924 production was valued at seven times what the production had been previous to reclamation.[18]

In the years 1919–1922 work was begun in Italy on 1,037,000 acres.[19] According to the official statistics published in 1923, an area of 752,641 acres had not only been drained by the end of 1922 but had also been "reclaimed in an integral sense, that is to say, effectively put under cultivation with economic and social results of the highest importance;" 1,475,328 acres had been reclaimed but not yet put to intensive cultivation; and work was in progress on 1,537,710 acres.[20] Since the reclaimed area amounted in 1915 to 1,773,460 acres, and since during the war the work had

[17] V. Peglion, "Le Bonifiche in Italia." Bologna: Zanichelli, p. 5.

[18] *Ibid.*, pp. 6–7; see also S. Trentin, "Per un nuovo orientamento della legislazione in materia di bonifiche." Venice, 1919, p. 13.

[19] Ministry of Public Works, "Le Opere Pubbliche al 30 Giugno 1926." Rome, 1927, 211 ff.

[20] De Stefani, "Documenti sulla condizione finanziaria ed economica dell'Italia." Rome, May 1923, p. 456.

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been almost completely suspended, it follows that in the post-war quadrennium — the last before fascism — reclamation had been completed on about 380,380 acres, *i. e.*, on 98,800 acres a year.

In April 1923 a group of Dutch farmers visiting the reclamation works of Ferrara and Chioggia were surprised to discover an "Italian Holland." On the plain of Catania the Costantina estate, which on the eve of the war was a pasture of 741 acres, was in 1923 covered by 100,000 citrous fruit trees, 300,000 grape vines, etc., with a value fifteen times that of ten years before.[21]

In the four years that followed the "March on Rome" (October 1922) reclamation work notably slackened. In May 1923 Signor De Stefani, Minister of Finance in Mussolini's cabinet, wrote:

> The necessity of restricting within the smallest possible limits expenditures for reclamation works has kept the administration from beginning new projects, limiting its activities to the completion of those works already undertaken and often even to the mere maintenance of that part of the works completed, inasmuch as the restricted means do not permit our completing these works rapidly.[22]

The expenditures on reclamation which had been 209,000,000 lire in the fiscal year 1921–22 dropped to 179,000,000 in 1922–23, to 119,000,000 in 1923–24, to 187,000,000 in 1924–25, and to 164,000,000 in 1925–26,[23] while the cost of reclamation works rose from an average of 603 lire an acre in 1923 to an average of 1,053 lire an acre in 1926.[24] Of the 173 reclamation works which were in progress in June 1926 scarcely 38 (covering an area of 88,920 acres) had been begun after 1922.[25] In addition to continuing work already begun, these 88,920 acres represented the dictatorship's contribution in its first four years.

Beginning in 1926 work was again intensified. In the fiscal year 1926–27 expenditures rose to 253,000,000 lire, in 1927–28 to 282,000,000 and in 1928–29 to 311,000,000.[26] Altogether between 1922 and 1928 reclamation projects were completed on 805,180 acres of land. (This figure is obtained by subtracting the 2,225,510 acres completed by 1922 from the 3,030,690 acres drained by 1928. The latter figure was given by Signor De Stefani, in the *Corriere della Sera*, July 29, 1928.)

[21] De Stefani, "L'Azione dello Stato Italiano per le Opere Pubbliche: 1862–1924," Rome, 1925, p. 131.
[22] De Stefani, "Documenti" (May 1923), p. 211 and 457.
[23] Ministry of Finance, "Il Bilancio dello Stato dal 1913–14 al 1929–30," Rome, 1931, p. 370.
[24] Federazione Nazionale delle Bonifiche, "Le Bonifiche in Italia al 1 luglio 1927." Vicenza, 1928.
[25] "Le Opere Pubbliche al 30 giugno, 1926," 211 ff.
[26] "Il Bilancio dello Stato dal 1913–14 al 1929–30," p. 370.

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In December 1928, an act was passed whereby the government pledged itself to spend during the next fourteen years 4,300,000 lire (one half billion a year), on marsh reclamation and the general improvement of land. The idea was excellent. But the major part of that money was absorbed by the reclamation of the Pontine Marshes which cover only 64,220 acres. By concentrating a great expenditure of money and labor on a small area at the gates of Rome, regardless of cost and economic results, it is easy to organize a spectacular show to impress foreigners. In the meantime the reclamation works which do not serve publicity purposes are slowed up or neglected entirely. In the fiscal year 1929–30 the administration was authorized to spend 244,000,000 lire to start new works; in 1930–31 the amount dropped to 74,000,000; and in 1931–32 to 33,000,000.[27]

Concerning the results obtained throughout Italy by the law of 1928, the government has maintained a dignified silence. Everything that the foreign correspondents have reported from Rome in these last years concerning the miracles performed by Mussolini in reclaiming and improving land all over Italy must be considered as evidence of what could have been done and not of what really has been done, aside from the reclamation of the Pontine Marshes and a few other undertakings personally favored by some high fascist personage.

It is in land reclamation and improvement, and generally speaking in domestic economic development, that Italians must seek one of the solutions of the Italian overpopulation problem. Sardinia, one of Italy's two large islands, has 973,000 inhabitants, *i. e.* 105 inhabitants per square mile, whereas the average density in Italy is 344 inhabitants per square mile. Sardinia may thus be regarded as sparsely populated. Only thirty percent of Sardinia is cultivated. Only 56.32 percent of the population is engaged in agriculture. In spite of the abundance of uncultivated land and the sparseness of population, even Sardinia suffers from the plague of unemployment. Why go to Africa to squander billions on war? With the capital which is being thrown away in Ethiopia work could be given for many years to Italy's surplus population.

V

Another solution of the Italian population problem must be sought outside of Italy. Before the present depression not all

[27] Serpieri, "La legge sulla bonifica integrale nel secondo anno," Rome, 1932, p. 73.

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countries had closed their doors to Italian immigration. France was very liberal, South America also. The world is wide. Some gates are closed, but others open. As long as the present depression continues Italian labor will be in the same terrible condition as the labor of all other countries. When the depression has become a thing of the past, emigration will start again.

If Mussolini had been a sensible man, he would have sought to keep before the moral conscience of the entire world the injustice which the Anglo-Saxon countries are committing against the Italian people with their laws excluding immigration. No assembly of the League of Nations should have taken place at which the representative of Italy did not take the floor to tell the Anglo-Saxon countries that it is ridiculous to talk cant about peace and international justice while ruthlessly excluding Italian labor from the United States, Canada and Australia. Unless the Anglo-Saxon countries face the problem of Italian immigration in a spirit of understanding and good will, a crowded and restive Italy will always be tempted to join with other discontented peoples in order to break down the barriers which pen them in.

Clearly Italian emigrants have no right to pour pell-mell into any country and throw its labor market into confusion. The receiving country has the right to control the current of immigration from the physical, intellectual and moral point of view, and even to arrest it entirely in time of depression. Every measure which countries importing labor take to oblige immigrants to raise their personal values, should be gratefully received by all Italians who intelligently desire the progress of their country. Before the World War, on the news that illiterates were to be excluded from the United States, many thousands of Italian peasants began to learn to read and write. Furthermore, immigrants should not be allowed to crowd into those quarters of large cities which are a disgrace to those inhabiting them and to those who permit others to inhabit them. But to supervise the quality of immigrants and direct their flow according to appropriate plans is one thing; it is quite another to stop entirely and forever any kind of emigration while wide areas remain unoccupied. And it is even worse to set up between the different peoples a capricious hierarchy in order to exclude *en bloc* all the workers of certain countries as if they were lepers.

These ideas the Italian Government should have diffused in 1924, as soon as the United States, Canada and Australia closed

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their doors to Italian immigration. Instead, in 1925 Mussolini began to create obstacles to emigration. In that year the farmers in southwest France were forced to import Spaniards and French Canadians because Italian laborers were no longer able to leave their country.[28] In November 1926 to emigrate without permission from the authorities became a crime punishable by three years' imprisonment; the Italian frontier guards were ordered to shoot anyone trying to cross the frontier at any except authorized points. In the fall of 1927 the government adopted a policy of reducing the emigration of workers to a minimum.[29] Accordingly, only those workers who promise to return to Italy in not more than three years may emigrate. The emigrant is not allowed to take his family with him during those three years and if at the end of that time he does not return "he loses the right to have his family join him."[30]

The advocacy and practice of birth control became a crime under the terms of article 113 of the law of November 6, 1926. Bachelors were subjected to a heavy personal tax (law of November 19, 1926), doubled at the end of 1928. Furthermore, a complicated mass of regulations, the most important of which is the law of June 14, 1928, sought to multiply marriages through cash premiums and railway reductions for couples on honeymoon, and encouraged procreation by granting considerable tax exemptions and other privileges to large families.

At the same time the slogan that colonial conquest was the only way of solving the problem of Italian overpopulation became one of the best ingredients of fascist propaganda in Italy and abroad. "Italy," said Mussolini in an interview in the *Deutsche Tageszeitung*, November 14, 1926, "demands from the other Powers the recognition of her incontestable need for sun and earth." And in another interview with the London *Daily Express* on January 24, 1927, he developed this thought: "Italy must find an outlet for her ever-increasing population. No power has a right to stand in the way of her legitimate effort to find territories suitable for her people. She must either expand or explode."

The growing population provided him with a reason for demanding colonies. At the same time he sought to promote an increase in population in order to have a stronger reason for de-

[28] G. Mauco, "Les étrangers dans les campagnes françaises," *Annales de Géographie*, March 15, 1926, p. 107.

[29] Report of Deputy Torre on the foreign affairs budget for 1928–29.

[30] Law of October 27, 1927 and official communiqués published on August 17 and 30, 1928.

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manding colonies. The explosion has taken place in 1935 in Ethiopia.

VI

Even if it is not suited to solving the Italian overpopulation problem, would Ethiopia solve Italy's problem of raw materials? Is Ethiopia really rich in minerals: platinum, gold, coal and oil?

The platinum production of Ethiopia has oscillated from 22,355 to 24,946 grams per year between 1926 and 1933, *i. e.* three percent of the world's total production. As far as gold mines are concerned, nobody has ever been able to locate them. We may safely assume that neither the Foreign Office or the Quai d'Orsay would have left Ethiopia to Italy if there had been gold in the country in any great quantity.

The existence of coal and oil deposits in Ethiopia is as problematic as those of gold. But even if coal and oil deposits do exist in Ethiopia, one must consider whether the cost of developing the country and of transporting those raw materials through deserts would be commensurate to their value on the world market. Why should Italian industry import coal from Ethiopia if English coal be cheaper? Why carry oil from Ethiopia to Italy while oil from Rumania, Russia or Mosul could be obtained on better terms?

The same holds good as far as coffee, rubber, sugar and other agricultural products are concerned. Would the cultivation of these products be profitable in Ethiopia? The world is overflowing with sugar, cotton and coffee which cannot be sold. Beet sugar is today produced by Italian factories which would make impossible the competition of cane sugar grown by Italian pioneers in Ethiopia. Egyptian cotton, Brazilian coffee, Jugoslav meat, Canadian wheat, will for a very long time be much cheaper than products raised in Ethiopia. What the Italian consumer needs is not to buy coal or oil or cotton from countries politically controlled by the Italian Government, but to buy them at the lowest possible prices. As long as the circulation of goods throughout the world is not hampered by war, the Italian buyer need only obey the law of supply and demand. He makes a distinction, not between English and Ethiopian coal, but between cheap and dear coal.

Protective tariffs may reserve Italy as a monopolistic market for Ethiopian products. This would oblige Italy's population to adopt a lower standard of living. In that case Italy might have

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conquered Ethiopia politically; but Ethiopia would have conquered Italy economically.

In order to carry Ethiopian raw materials to world markets, Mussolini plans to build a railway through Ethiopia connecting Eritrea with Italian Somaliland. Such a railway would be three times the length of Italy and would pass through a succession of deserts and very rough mountains. In an undeveloped country capable at best of being rendered profitable in the distant future, the construction and upkeep of this railway would engulf fabulous sums. And this masterpiece of economic and financial lunacy is planned at a moment when all over the world railways are struggling against the competition of road and air transport.

One may object that the problem of raw materials is not economic but strategic. It does not exist in time of peace, but becomes of vital importance in time of war. Any government which controls territories producing raw materials may, in time of war or of diplomatic dispute, establish an embargo which will deprive the other countries of those materials. A country possessing no raw materials is always exposed to a danger of this kind. However, access to Ethiopian raw materials — if there are any — could not in time of war be assured to Italy, for many thousand miles of sea, not to mention the Suez Canal, separate Ethiopia from the home land. If Italy and her allies control the sea, raw materials will come to Italy from all parts of the world. If they do not, then raw materials cannot be obtained, whether produced in an Italian Ethiopia or in the United States.

VII

The division between "sated" and "unsated" countries — in Italy they are called "capitalist" and "proletarian" countries — is not economic but psychological. England, supposedly one of the "sated" countries, has to import from overseas half of her foodstuffs, all of her petroleum, copper, cotton, rubber, potash, a third of her iron ore, three-fourths of her sulphur, pyrites and wool, etc. Switzerland and the Scandinavian countries, which have a soil even more ungrateful than Italy's, disturb no one on account of their lack of raw materials, and act as if they were "sated" countries. If the Swiss and Scandinavian intellectuals and politicians should start repeating in the schools, in books, in newspapers, at meetings, and in legislative halls, that their countries cannot live without colonies to supply them with raw materials, those

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countries after several years of this propaganda would likewise join the ranks of the "unsated" countries.

Mussolini is today turning the world upside down, and Hitler will do it tomorrow, by demanding colonies, because they "feel" unsated. They feel unsated because colonies are symbols of superiority and every country which wants to be regarded as powerful must possess colonies, just as every millionaire must possess a Rolls Royce and deck his wife or his mistress with jewels. For the same reasons of "prestige" — in this case, to *preserve* and not to *acquire* prestige — Winston Churchill would provoke another World War rather than give back to Germany Tanganyika or Southwest Africa. The problems of overpopulation and raw materials are economic afterthoughts devised to justify psychological unrest. Pareto would have said that economic derivations disguise political residues.

During the fifty years preceding the World War the population of Italy increased by one quarter, yet it did not die of hunger. Indeed, its standard of living rose steadily even though Italy possessed neither raw materials nor colonies suited for Italian emigrants. The problem was solved by peace and prosperity. The products which Italy exports are silk, wines, early fruits and vegetables, automobiles, textiles and other finished products, that is to say goods which are not indispensable and which find a market only if other countries are prosperous. Neither do foreigners go and travel in Italy unless well enough off to spend money on luxuries. Nor need other countries absorb Italian labor, if they themselves are not enjoying prosperity.

An Italian Government guided by men with common sense, having the real interests of the people at heart, would therefore as its first duty work for peace, develop emigration and at the same time not foster an increase in population. Instead of this, Mussolini has repressed emigration as though it were a crime, has commanded Italian women to breed more children, and when last summer a way of settling his quarrel with Ethiopia by peaceful means was offered him, declared to the French ambassador (as reported by the French journalist "Pertinax"): "If you brought me Abyssinia on a silver tray, I would not accept it, for I am resolved to take it by force."

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THE STRUGGLE FOR THE NILE

By William L. Langer

IN THE course of the present African crisis Great Britain has consistently taken its stand with the angels. It has done more than any other major Power to make the League an effective instrument of action against an aggressor state, and through leading members of its government it has announced on more than one occasion its determination not to accept a settlement of the dispute repugnant to the League. To be sure, in the London press reference has been made here and there to the fact that the British, whatever their interest in peace and in the strengthening of the League, have other interests of a purely national character which are endangered by the Italian policy and which must therefore be defended. But this aspect of the problem has generally been glossed over. The English, as a people, have been well satisfied with themselves in an altruistic rôle. In the words of one of their leading political writers, they have long enjoyed freedom of speech because they can be trusted to leave unsaid the things that would be discreditable or embarrassing.

At the root of the present difficulties there lies, no doubt, the general apprehension, shared alike by Britain and France, of the new wave of nationalism and colonialism which has been sweeping Italy since the advent of the Fascist régime. Anyone who has followed at all closely the last decade's flood of expansionist propaganda and the story of Fascist organization and activity in the countries of the Mediterranean basin, will hardly have escaped the conclusion that the aspirations of the New Italy have created an entirely new situation — a situation fraught with latent danger to the two Powers which, hitherto, have shared between them the control of northern Africa. It has been suggested on some sides that M. Laval's visit to Rome last January was actuated as much by fear of Italian designs on Tunis as by alarm at Hitler's plans for Austria, and that the French premier sold out the well-established French interests in Ethiopia in order to avoid trouble nearer home. This may or may not have been so, but it is beyond question that Fascist propaganda in all the region from Algiers on the west to Egypt and Syria on the east has caused genuine uneasiness and has obliged the governments of both Paris and London to reconsider the Mediterranean problem.

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So far as England is concerned, the new colonialism of the Italians touches most directly the time-honored problem of Egypt; and for England the Egyptian question has always been indissolubly linked to the Suez Canal and to the general safeguarding of the route through the Red Sea to the Far East. This is certainly not the place to review the British policy either in Egypt or in the Suez area, but it may be worth recalling that the London government has always been sensitive about the establishment of any strong Power on the coasts of the Red Sea. Long before the Suez Canal was built, the English occupied Aden as a reply to the activities of Mehemet Ali in Arabia. Much later in the nineteenth century they put every conceivable obstacle in the way of Turkish efforts to establish effective control along the same coast. They intervened only a few years ago to save the Imam of Yemen from the consequences of his defeat by Ibn Saud, and are clearly anxious to keep the conquests of the great Arab within bounds so far as the coastline is concerned.

On the other side of the Red Sea the story has been the same. The English were filled with misgivings about the expansion of Egypt to the south in the days of the Khedive Ismail. They insisted, at great cost, on holding Suakin and the coast line of the Sudan against the onslaughts of the Mahdi's followers and they themselves occupied British Somaliland as a reply to the establishment of the French at Obock and Jibuti. It is true that they encouraged the Italians to take over Massaua, but the Italians were then their friends and clients and it certainly does not follow that because they once desired Italian help against the dervishes they are now prepared to see the erection of a large Italian empire on the Red Sea. On the contrary, it is an obvious British interest to frustrate Italian aspirations of such a magnitude.

While acknowledging, then, the very real interests of Britain in the Mediterranean and Red Seas, let us turn to an examination of the motives of British policy more specifically in Ethiopia. The newspapers often mention Lake Tana and its importance for the Sudan and Egypt. But the present significance of Lake Tana is not sufficiently realized, nor has the fact that British policy in Ethiopia has for almost fifty years centered on the protection of this lake been properly underlined.

Appreciation of the facts came rather late to the English, it must be confessed. When the decision was made, in 1884, to abandon the Sudan, even General Gordon wrote: "The Sudan is

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a useless possession, ever was so, and ever will be so. . . . I think Her Majesty's Government are fully justified in recommending the evacuation." And as late as 1889 Lord Cromer could report home: "I have pointed out over and over again during the last five years that the true interests of Egypt are not to reconquer, but to trade with the Soudan." All of which indicates that to the English mind the Sudan had meant nothing to Egypt but a paradise for slave traders and ivory hunters, a paradise for officials bent on ruthless extortion.

But among the Egyptians themselves the situation was viewed from a different angle. Ever since the Middle Ages there had been current a legend that the Emperor of Ethiopia could shut off the water of the Nile as one would shut off a fawcet. Even within the last few months a high Egyptian official has explained Egyptian sympathy for the Ethiopians as a form of gratitude for the fact that the highlanders never tampered with the Egyptian water supply. More than likely one of the motives behind the Egyptian conquest of the Sudan in the nineteenth century was the desire to secure control over the entire Nile system. The growth of the Egyptian population and the extension of the system of perennial irrigation was rapidly making the increase of the Egyptian water supply the most vital problem of the government and it was being widely recognized that Egypt could not feel safe until the whole course of the great river was in her hands. That is why, in 1884, the Egyptian Government protested so vigorously against the abandonment of the Sudan, and why Riaz Pasha wrote in 1888: "No one will deny, so clear and evident a proposition is it, that the Nile is the life of Egypt. Now the Nile means the Soudan, and nobody will doubt that the bonds and connections which unite Egypt to the Soudan are as inseparable as those which unite the soul to the body. . . . I mean by the Soudan the banks of the Nile and the island of Senaar, and the districts of the Eastern Soudan, terminating at Suakin. . . . No European power would occupy Suakin without wishing necessarily to extend its power into the interior, with a view to reaching richer districts. But if it attained its object, and took possession of the banks of the Nile, it would be all over with Egypt."

This was the danger to which so eminent an authority as Sir Samuel Baker had called attention. In his famous book "The Nile Tributaries of Abyssinia", published in 1868, he had already put forward the proposal that a series of dams be constructed from

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Aswan to Khartum, in order to increase the Egyptian water supply and to irrigate the Sudan for the culture of cotton. In 1884 he pointed out what the loss of Khartum would mean: "If a civilised, or even semi-civilised, enemy be in possession of that point, the water of the Rahad, Dinder, Blue Nile and Atbara Rivers could be diverted from their course and dispersed throughout the deserts, to the utter ruin and complete destruction of Egypt proper."

Among British statesmen, Lord Salisbury was undoubtedly one of the first to appreciate the danger. After the very low Nile flood of 1888 he seems to have been convinced by the warning letters written to the *Times* by Sir Samuel Baker; and his daughter has told us, in her biography of her father, that the reconquest of the Sudan became one of the fixed points in his policy. England was not willing to finance that reconquest, and so the actual operation had to be postponed for some years, but in the interval the new orientation of British colonial policy was beginning to show itself in connection with the relations of Great Britain with other European states. The Germans were bought off from Uganda in 1890; and after some years of uncertainty the English took over that crucial area at the source of the White Nile from the British East Africa Company. The Italians were, at the same time, putting forward their pretensions to a protectorate over all Ethiopia, which led Lord Dufferin, at that time Ambassador at Rome, to express the fear that they might "attempt to tap the Upper Nile and Sudan." Salisbury agreed, and in the negotiations with Italy, which were then opened, thought that England should insist "on the command of all affluents of the Nile, so far as Egypt formerly possessed them." After much difficulty the agreements of 1891 were made, one clause of which bound Italy "not to construct on the Atbara, in view of irrigation, any work which might sensibly modify its flow into the Nile."

In the meanwhile the water requirements of Egypt had reached the point where some further storage provisions were becoming indispensable. For years the engineers in the Egyptian service discussed various possibilities, finally deciding upon the Aswan Dam, which was built between 1899 and 1902. In the midst of the debates, however, an eminent French engineer put forward the suggestion that dams be built at the outlets of Lakes Victoria and Albert, and at the confluence of the Sobat and the White Nile. Indulging in dangerous speculation, he pointed out that these

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reservoirs, if built, would control the fate of Egypt, for if they were kept closed Egypt would be deprived of the needed supply, while if they were opened in flood time they could be used to wash out the entire Egyptian civilization. The point is important, because it can be shown that the French, anxious as they were to force the British evacuation of Egypt, formulated their policy in the Congo and in Ethiopia on this idea of getting control of the Nile water. By supporting the Emperor Menelik against the Italians they secured a preponderant influence at Addis Ababa, encouraged the Emperor in his claims to a frontier on the Nile, and obtained a concession for a railway from Jibuti to Addis Ababa and beyond, to the White Nile. Marchand was sent out from the west to advance to the Nile at Fashoda, while another French expedition, starting from Ethiopia, was to meet him and thus establish a French-Ethiopian belt right through the Sudan. It would then have been easy to force the British out of Egypt by threatening to cut off the water supply. In a recent book,[1] I have followed the development of this crisis in some detail. There is neither need nor space for the repetition of it here, but I should point out that in the Fashoda crisis of 1898 the British were prepared to go to war with France for reasons which, at bottom, were not so very different from those which have driven London to take so uncompromising a stand at the present time.

The French plans were completely frustrated in 1898 and the victorious English, once they had finished with the South African War, were able to devote themselves to the Ethiopian angle. Nothing much is known of the negotiations carried on by the English minister, Colonel Harrington, but he did succeed in having Menelik sign the agreement of May 1902, by which the Ethiopian ruler not only accepted a frontier removed by a considerable distance from the main course of the Nile, but also gave invaluable assurances with regard to Lake Tana. By Article III he engaged "not to construct, or allow to be constructed, any work across the Blue Nile, Lake Tana, or the Sobat which would arrest the flow of their waters into the Nile, except in agreement with His Britannic Majesty's Government and the Government of the Soudan." The engagement was, to be sure, a purely negative one, but nevertheless it marked a great advance over the danger and uncertainty of the previous period.

The provisions of the treaty with Menelik already reflected

[1] "The Diplomacy of Imperialism." New York: Knopf, 1935.

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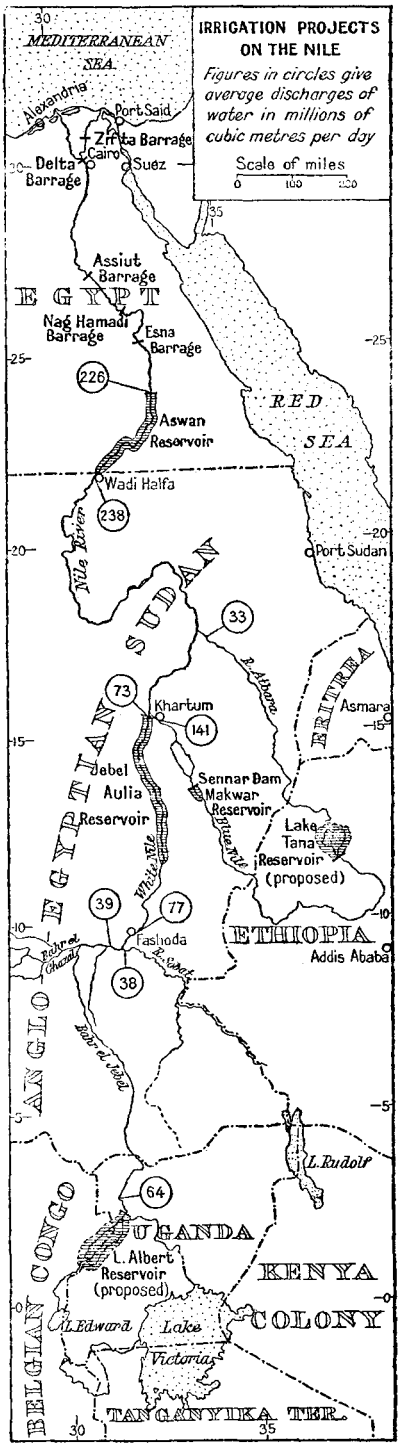
the improved knowledge of the régime of the Nile which resulted from the investigations of Sir William Garstin and his associates, investigations which were undertaken at once after Kitchener's reconquest of the Sudan and the ejection of Marchand from Fashoda. I shall not go into the highly complicated details of a hydrological nature connected with the Nile Basin, but something must be said on this score if the importance of Lake Tana and the general British stake in Ethiopia are to be understood. Before 1900 knowledge of the peculiarities of the Nile discharges was very scant indeed, but since that time a tremendous amount of study has been devoted to the subject and the main facts, at least, are no longer the subject of dispute.

Although the Nile originates in Lakes Victoria and Albert Edward, the true reservoir is Lake Albert, into which both systems flow, and from which the Bahr-el-Gebel issues. A very substantial amount of water, the result of the winter rains in the lake region, emerges from Lake Albert, but almost half of this supply is lost by evaporation in the great swamp area, about four hundred miles long, through which the Bahr-el-Gebel passes between Mongalla and the mouth of the Sobat River. The Sobat itself, the first important confluent on the right bank, brings down the water from the southern part of the Abyssinian highlands,



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and, rising in April, just about doubles the amount of water of the White Nile. But the rush of water from the Sobat serves to hold back most of the water from the Bahr-el-Gebel. In similar fashion the Blue Nile, which alone contributes more than half of the entire discharge of the Nile, holds back the water of the White Nile in August and September. As the great flood of the Blue Nile begins to subside, this great body of water above Khartum is released, thus continuing for several more months the flood that reaches Egypt. Two-thirds of the total discharge of the Nile passes the frontier of Egypt in August, September and October, and of this flood two-thirds comes from the Blue Nile, the rest being divided about evenly between the Atbara and the White Nile. But when this great flood has passed and the impounded waters of the White Nile take the place of the Blue Nile water, the White Nile supplies about 85 percent of what reaches Egypt.

In other words, the heavy silt-laden water which has made possible the cultivation of Egypt for thousands of years, is almost exclusively the contribution of the Blue Nile, which collects it from countless streams in the Ethiopian mountains. It has been estimated that five-sixths of all the water of the Blue Nile enters that river between its outlet at Lake Tana and its crossing of the frontier into the Sudan. In that region the river flows through a tremendous canyon which has never yet been explored by white men, but which is known to drain a very large mountain area. Engineers agree that nothing man can do could in any way check this torrential flow. Egypt's supply of autumn water and fertilizing silt is, in all human probability, completely safe.

The modern problem of Egyptian water, however, arose with the introduction of perennial cultivation in the time of Mehemet Ali. The second crop, which is mainly cotton, requires water during the spring months, when the discharge of the Nile is slight. Cotton has now become the crop on which Egypt depends for her existence. Between 1882 and 1900 the population increased from somewhat less than seven millions to about ten millions, and by 1900 most of the land in the Delta was under perennial cultivation, though in Upper Egypt there were still almost two million acres under annual or basin irrigation. The Aswan Dam, storing about one billion cubic meters of water, permitted the conversion to perennial cultivation of about four hundred thousand acres in Upper Egypt and tripled the yield of cotton. Between 1908 and 1912 the Aswan Dam was heightened

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and its capacity more than doubled, thus making possible further conversion of lands under basin irrigation to the perennial system. But the population rose from about ten millions in 1900 to more than fourteen millions in 1927 and is increasing at the rate of about three hundred thousand annually. The conversion of all available land has therefore become more and more imperative, but even so the situation is rather desperate, for only about twelve thousand square miles of Egypt's three hundred and fifty thousand are at all cultivable. It is estimated that by 1955 all suitable land will have been converted and that then Egypt will be supporting between eighteen and twenty million people.

Ever since the investigations of Sir William Garstin and his associate, Mr. Dupuis, it has been taken for granted that ultimately a dam would have to be built on the Upper Blue Nile, preferably at its outlet from Lake Tana, to supplement the summer water supply of Egypt. The introduction of irrigated cotton culture in the Gezira of the Sudan in 1904 has made this desirable also from the Sudanese standpoint. However, the scheme has been held up by the political difficulty of getting the Ethiopian Government to agree. For that reason the project was more or less shelved for years, though surveys were made, with the permission of Addis Ababa, in 1915 and again in 1920–1924. In the interval the Sennar Dam on the Blue Nile was begun in 1913 and finally finished in 1925. This has made possible the extension of the cotton area in the Gezira from 30,000 feddans (a feddan is 1.04 acres) to a possible 300,000, without any detriment to Egypt. At the same time much attention had been given to the possibility of constructing a dam just above Khartum. The Aswan Dam was raised for a second time in 1930, thus doubling the capacity once more, and finally, after much dispute, the Egyptian Government proceeded in 1933 to the construction of the great Gebel Aulia Dam, south of Khartum on the White Nile. This dam will be finished in 1937 and will serve to reduce the flood danger as well as to store summer water for Egypt.

The situation as it presents itself now is briefly this. Between March 1 and August 1 of each year Egypt requires about fourteen and a half billion cubic meters of water for the cotton, sugar, rice and other summer crops. The average flow for the years 1912–1927 was ten and a half billions. The Aswan Dam, after the second raising, will hold about five billions and the new Gebel Aulia Dam another three to four billions. Egypt will therefore

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have more than she needs when the Gebel Aulia Dam is finished, but if she is to develop the land to the limit, as she must, she will need about twenty-six billion cubic meters of summer water, and this will have to come from further projects, namely from an Upper Blue Nile Dam and from a dam at the outlet of Lake Albert. The Lake Albert reservoir, if the level were raised by only one meter, would store five billions of cubic meters, but it would do little good unless the course of the Bahr-el-Gebel were cut deeper and regulated, so that the stream could no longer lose itself in the swamps. This will eventually have to be done, but it will be an extremely costly enterprise.

The Tana Dam, on the other hand, would not be expensive, and would have the added advantage of serving the Sudan as well as Egypt. It is thought that fully three million acres could be put under cultivation in the Sudan, if only there were water; in any event cotton now constitutes 60 percent of the exports of the Sudan and is a factor of considerable interest to Lancashire. England's unwillingness to abandon the Sudan to Egypt has been one of the prime reasons for the failure to reach an Anglo-Egyptian agreement, and it demonstrates more clearly than anything else the high value which England assigns to the Sudan. As for the projected Tana Dam, it is unnecessary to say much. The lake, which is about 6000 feet above sea level, is about forty to fifty miles square and reaches depths in the neighborhood of two hundred feet. About three and a half billion cubic meters of water are discharged by the lake annually. The water as it issues from the lake contains no silt; and since the flow takes place at the time of the great Blue Nile flood, it is of almost no account to Egypt at present. About six billion cubic meters could be stored ready for use when needed, by blasting a deeper outlet and erecting a dam. Of this amount about three and a half billion would be released from January to April for use in the Sudan and Egypt, and the rest would be kept in reserve for years of poor flood. By cutting out the cataract, a reservoir could be built without raising the level of the lake, a fact which is important because the Ethiopians have been much exercised by the thought of having the churches on islands in the lake in any way damaged.

Since for more than thirty years the Tana Dam has been an integral part in the projected development of the summer water supply of Egypt and the Sudan, we need not wonder that it should have become the key to British policy in Ethiopia. As

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aforesaid, the fact is reflected in the agreement made with Menelik in 1902. A second stage was reached in the famous Tripartite Agreement of December 1906 between England, France and Italy. Of the negotiation of this pact we have only the most fragmentary evidence. However, its general lines seem to have been something as follows.

Towards the end of 1902 the Italians, much alarmed by the progress of British influence at Addis Ababa, and disturbed by the illness of Menelik and the danger of inter-tribal war at his death, approached the British with a suggestion that the two Powers agree on a successor who might if necessary be imposed on the Ethiopians. The English, evidently eager to get Italian support for their efforts to internationalize the French-owned railway concession, entered upon discussion and came to an agreement with the Italians. But in the interval the *entente cordiale* with France had been consummated and it was deemed necessary to initiate the Paris government. In the course of the negotiations, which dragged out over a period of years, M. Delcassé raised the question of marking out spheres of influence. He was willing to recognize British interests in the Tana region and was willing to abandon the idea of extending the French railway from Addis Ababa westward. But in return he wished to have included in the French sphere not only Harar, but also Shoa, with the capital. This demand conflicted with the Italian desire for a sphere connecting Eritrea and Italian Somaliland, which presumably would have run just west of Harar. Being the weaker party, the Italians were obliged to give in, if only in order to prevent an Anglo-French agreement to which they were not parties. Their sphere was therefore moved to the west of Addis Ababa, and was apparently to pass to the east of Lake Tana, though this was not made clear. The Italians were dissatisfied with the whole pact, but had to console themselves with the idea that it was better than nothing. The British, on their part, were at last freed from the danger of having French influence extend to the west of Addis Ababa, though, as we realize now, they were letting in the more restless and ambitious Italians.

In 1914, soon after the raising of the Aswan Dam, Lord Kitchener took steps to further the Tana project and in 1915 a joint Egyptian-Sudanese-Ethiopian commission visited the lake. The World War and the internal disorders in Ethiopia no doubt had much to do with the fact that no progress was made. But there is

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every indication that the British expected to push on with the project as soon as convenient. When in November 1919 the Italian Government tried to link up the Ethiopian question with its claims for compensation under the Treaty of London, it had no success whatever. The Italians proposed to support Britain "in order that she may obtain from Ethiopia the concession to carry out works of barrage in the lake itself, within the Italian sphere of influence, pending the delimitation of the extent of the territorial zone to be recognized as pertaining to Great Britain in respect of the latter's predominant hydraulic interests. . . ." Italy was also to support an application from Britain to build a motor road from the Sudan to Lake Tana. In return England was to support the Italians in order that they might obtain a concession for a railway from Eritrea to Somaliland west of Addis Ababa. Rome asked further for recognition by Britain of "an exclusive economic influence in the west of Ethiopia and in the whole of the territory to be crossed by the above-mentioned railway."

This proposal is interesting inasmuch as it represents an effort to expand the agreement of 1906. Lake Tana is here described as within the Italian sphere, only a zone of which was to be allowed England. In fact, all of western Ethiopia was to be part of the Italian economic sphere. It is not surprising that the London cabinet rejected the offer, "owing to the strong objection felt to the idea of allowing a foreign Power to establish any sort of control over the headwaters of rivers so vital to the prosperity and even the existence of Egypt and the Sudan." It must be remembered that at the time the English were still expecting to secure the concession from the Ethiopian Government. Of the discussions carried on in the years 1920 to 1924 we know nothing specific. An authoritative Italian writer has declared, very recently, that in 1922 the English offered the Ethiopian Government the port of Zeila in British Somaliland in return for the concession.[2] Others have maintained that in 1923, presumably at the height of Anglo-Italian tension during the Corfu affair, Lord Curzon threatened to denounce the Tripartite Agreement of 1906. But these are simply a few among the many obscure points in the whole historical background of the present crisis. All we know is that when Ras Tafari (the present Emperor) came to London in 1924, the whole matter was gone over with him by Ramsay

[2] Maurizio Rava: "L'Inghilterra e l'Etiopia," *Nuova Antologia*, September 1, 1935, pp. 74–90.

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MacDonald and that negotiations continued even after that. Nothing came of the discussions; apparently the Ethiopian regent made it pretty clear that when the dam was to be built, Ethiopia would undertake the work itself.

Profoundly disappointed by this turn of events, and evidently suspecting that Italian influence had something to do with the Ethiopian's obstinacy, the London Government now returned to the Italian offers of 1919, in order, as Sir Austen Chamberlain said later, "to secure that exterior opposition should not intervene to prevent a friendly arrangement." The result was the famous exchange of notes of December 14/20, 1925, which amounted practically to acceptance of the Italian terms of 1919. In return for Italian support in securing the concession for the dam and the road, the English were to support the Italians in getting the concession for the railroad from Eritrea to Somaliland and to recognize "an exclusive Italian economic influence in the west of Abyssinia and in the whole of the territory to be crossed by the above-mentioned railway." "But such recognition and undertaking are subject to the proviso that the Italian Government, on their side, recognizing the prior hydraulic rights of Egypt and the Sudan, will engage not to construct on the headwaters of the Blue or the White Niles or their tributaries or affluents any work which might sensibly modify their flow into the main river." It would appear, from the further assurance of the British Government that it would construct and operate the dam so far as possible with locally recruited labor, and from the expression of confidence that the project would increase the prosperity and economic progress of the local inhabitants, that "exclusive Italian economic influence" must have meant more than is usually understood by this admittedly vague phrase.

The further history of this episode need not detain us. When Ras Tafari learned of it in June 1926 he took it to be a plan to bring pressure upon him, appealed to the League, and succeeded in securing reassuring statements from both England and Italy. But the incident left its mark. In his note to the British minister, the Regent pointed out that negotiations between England and Ethiopia had been in progress, adding bitterly, "We should never have suspected that the British Government would come to an agreement with another Government regarding our Lake." In any event, negotiations were taken up again. Of their content we know nothing, but Sir Austen Chamberlain referred later to a

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British note of May 1927 to which the Ethiopian Government replied in September. Very soon after that, on November 3, the *New York Times* reported that negotiations had been practically completed between Dr. Warneth Martin, agent of Ras Tafari, and the J. G. White Engineering Corporation of New York for the construction of the dam, which was estimated to cost $20,000,000. In view of the stir caused by this announcement both in England and in Egypt, Sir Austen Chamberlain declared almost at once that a concession granted without previous consultation with the British Government would be contrary to the agreement of 1902. As a matter of fact, Dr. Martin stopped at London on his return journey, gave assurances that no definite contract had been signed, and reaffirmed the respect of the Ethiopian Government for the agreement of 1902.

Nothing seems to have happened for more than a year, but in November 1929 Mr. Lardner, the vice-president of the J. G. White Corporation, went to Addis Ababa, and on the invitation of the Ethiopian Government the Sudan Government in January 1930 sent one of its experts, Mr. R. M. MacGregor, to join in a conference. Egypt too had a representative. After two months of discussion it was decided that in addition to the dam a road should be built to the lake from Addis Ababa, not from the Sudan. Engineers of the company were to make further surveys for the project. Evidently complete agreement was reached with regard to the American contract. The English regretted that their own engineers were not to build the dam, but they argued with some force that the main thing was to have the dam at all. It could be of little use to Ethiopia; consequently, if once built, it would of necessity serve the needs of Egypt and the Sudan.

The surveys, carried out by Major L. B. Roberts, were completed by May 1931, but either because of the world economic conditions or because of unknown reasons, nothing came of the project until in January 1933 another conference was summoned to meet at Addis Ababa. The Egyptian Government, which had just decided to build the Gebel Aulia Dam, was not enthusiastic, partly for financial reasons, partly because of the violent opposition of nationalist elements to the construction of works even in the Sudan, to say nothing of Ethiopia. So determined was this opposition that for a time Cairo could find no one willing to act as delegate at Addis Ababa, and when finally a victim was found, he was sent to the conference without power to make an agree-

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ment. His mission was simply to find out what the Ethiopian Government proposed to do. At the conference itself, in February and March 1933, it was decided that, in the hope of reducing estimates, further surveys should be made by the American engineers both for the road and for the dam. It was proposed that Egypt should vote 50,000 Egyptian pounds for this purpose and that the whole matter should be gone into again in 1935. In July 1933 the Egyptian Chamber actually voted the 50,000 pounds, its purpose being primarily to keep a finger in the pie.

The present Ethiopian crisis, as it developed in the spring of 1935, apparently served to hasten the reopening of the subject. On May 10 the Emperor invited the British, Egyptian and Sudan Governments to send delegates to a new conference at Addis Ababa, but the London cabinet, anxious not to aggravate the dispute with Italy, replied that it favored postponement. Nevertheless the Egyptian Government on May 22 adopted a five-year plan of irrigation work at an outlay of £E21,000,000, of which three million were set aside for the Tana Dam. At the same time negotiations between the Egyptian and Sudan Governments were opened with a view to settling the details of costs and partition of waters, so that all might be clear for the final arrangements with the Ethiopian Emperor as soon as the international situation permitted. On September 4, 1935, the Egyptian cabinet approved an arrangement with the Sudan by which the dam was to be constructed at the expense of Egypt, but the Sudan was to pay for water at a certain rate. The Sudan was to be permitted to take 10 percent of the water at first, but might later increase its quota to as much as 50 percent. It was reported that the Egyptian Government would now proceed to make an agreement with the Ethiopian Government giving Egypt the right to construct the dam irrespective of future developments in Ethiopia.

The relationship of Italy to these negotiations is not at once apparent. In the earlier days of the crisis the Italian press, and presumably the Government, made much of its claims under the 1906 Treaty and under the Anglo-Italian exchange of notes of December 1925. It was evidently on the basis of these obligations that Mr. Eden tried to negotiate in Rome in June 1935. But as a matter of fact London can easily evade these earlier arrangements. They are incompatible with the League Covenant in so far as Italy may try to stretch them till they affect the independence and integrity of Ethiopia. Furthermore, as things now stand,

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England is not securing the concession for the Tana Dam, and therefore is under no obligation to assist Italy to realize her share of the bargain. The Dam is going to be built, but officially it is to be constructed for the Ethiopian Government by an American engineering firm, even though the Egyptian Government will supply Addis Ababa with the necessary funds. The Sudan Government may, to all intents and purposes, be under the control of Britain; but the Sudan Government will merely buy water when the Dam is completed.

With respect to Italy there is this other aspect to be considered, that the basis of French policy has been changed. In 1906 it was the French objections that made the Italians accept a sphere in western Ethiopia. What they really wanted was a broad belt in eastern Ethiopia, running behind French and British Somaliland. They have themselves sneered at the fantastic idea of a railway through the mountains of a great circle passing west of Addis Ababa. Now the present situation has all the appearance of resting on French approval. The Italians are pushing forward toward Harar both from the north and from the south, yet one hears no protests from France and no suggestion that the Italian advance will interfere either with the railway or with the French zone. From this one can only conclude that M. Laval sold out completely in making the agreement of January 1935 and that the Italians, if no one stops them, will get the sphere they originally wanted, and of course as much more as they can. This would also explain the oft-reiterated statements from Italy that Britain need not fear for her interests or for Lake Tana, and that Italy is fully prepared to guarantee those interests. It makes it by no means impossible that before the crisis is over Britain, guided by France, will strike a bargain with Mussolini. If it is at all within reason, this can be forced down the throat of Haile Selassie and presented to the League as an agreement satisfying to all parties concerned. If England does eventually yield to temptation and allow her imperialism to get the better of her internationalism, we may be sure at least of this, that the Lake Tana region will remain outside the Italian sphere and that it will be either under the control of a rump Ethiopia or within the sphere of the Sudan and of England.

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THE STRATEGY OF THE MEDITERRANEAN

By Admiral Sir Herbert W. Richmond

EVER since the days of the great struggle against the attempts of Louis XIV to establish a domination of the world, as the world then was, the Mediterranean has been a sea of the highest importance to the British people. This importance has arisen from two separate and distinct elements.

In the first place, the Mediterranean is a sheet of water in which Great Britain has constantly — and inevitably — been called upon to play her part in active coöperation with those European coalitions which have been brought into being for the purpose of resisting the aggressions of some acquisitive Power and of maintaining the liberties and public law of Europe. It has been there that British naval power showed itself capable of performing effective and active functions in aid of the European family, as distinguished from the "passive" functions of defense essential to her own security. More and greater battles than Passaro and the Nile have been fought by her fleets in the Atlantic and the North Sea; but in all those European struggles against great perturbators, the decisive theatre, in the ultimate analysis, was on land, in Europe, and the instruments which produced the decisions were the armies. In these struggles, naval power in the Mediterranean could more directly affect the operations of the land forces of the enemy and of the Coalitions than it could elsewhere. The wars of Queen Anne and Napoleon show how the fortunes of the allied cause waxed or waned with the presence or the absence of a British fleet in the Mediterranean.

The fact that the Government of Great Britain in the war of 1914–18 elected to depart from its historical policy of using its great sea power and small land power in combination, and to constitute Britain into a continental military state, does not invalidate the importance of the Mediterranean. The conception, though not the execution, of the strategy of the Dardanelles expedition was in accordance with the policy of British Ministers, since William III's time onwards, of using sea power to move armies to places on the rim of the main theatre where the effects they would produce would be wholly disproportionate to their size.

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At different times, and in different ways, the European struggles were concerned with power to transport military force by sea. The situations varied. In some, it was wished to move armies from Spain to Italy; at others, between France and Italy, between Austria and Venice, between France and Greece, Turkey and Egypt. If the Low Countries have been the cockpit of the European armies, the Mediterranean has been — if the term is permissible — a cockpit at sea.

This may be called the continental or international aspect of the British interest in the Mediterranean. It was there that Britain could directly influence the course of the military campaigns. "The period," Sir Julian Corbett has remarked, "during which England abandoned the Mediterranean coincides exactly with the zenith of Louis XIV's power. . . . Within a year of the reappearance of a British fleet within the Mediterranean, Namur capitulated and Louis was facing the first of that series of reverses which brought his Empire about his ears."

The second aspect of the Mediterranean has been more particularly national, namely, the defense of that great national interest, her trade with the East. This interest has steadily grown since the foundation of the Levant company in 1581. Within a little more than half a century after this beginning, Englishmen recognized that the permanent security of the trade could be assured only by the maintenance of a naval fighting force within the Mediterranean. Spasmodic appearances of a squadron could give no more than temporary protection to the trade, which, in consequence, could sail only at long intervals. A steady flow of commerce consistent with economic needs was impossible when the sea force, for want of a harbor, could be present only for comparatively brief periods. The fundamental fact that endurance, in its strategical meaning, could be provided only by the possession of bases (disregard of which fact is responsible for some of the wasteful expenditure on ships in their modern design) was clearly appreciated by such statesmen as Cromwell, Charles II, Marlborough, William III, Stanhope and Pitt, as well as by every seaman to whom the charge of the security of the Mediterranean fell. So each in his turn took measures to furnish two things: a naval force of a character and size adequate to perform the duties required, and a base, or bases, aptly situated to enable it to remain on the spot and perform those duties.

There are some today who hold that even Great Britain's

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possession of sea power would not of itself enable her to make any contribution to the common cause in a system of "collective" security. These advance the theory that in order to play her part and pull her pound as a "good European" she must rival her neighbors in the air. In so far as those fighting instruments which move in the air are effective in the operations of a campaign at sea, there is some justification for this view; for they are as much an integral part of the naval flotilla as those other craft which move on or below the surface of the water. But in the sense that the aid which Britain can give to those with whom she may be associated in the preservation of the liberties of Europe and the public law can only be in the form of incursions into an enemy country by invasions or bombardments, this is a conception which fails to recognize the part which her power has played in the Mediterranean. In all those struggles the British army was insignificant when compared with the armies of the Continent. But the power to close or open the sea routes over which it was desired to move armies in the Mediterranean made her (and in their time the Dutch) a welcome ally. The view ignores no less the economic influences, and though an undue effect may at times have been attributed to these, an observer who brushes them aside lightly owing to the fact that they are slow-acting can have given little study to the economic influences in European wars from the days of Elizabeth to those of the twentieth century.

Changes in the types of fighting ships, the transition from sail to steam, the introduction of the ironclad ship and the torpedo boat in its varied forms, each in its turn introducing a danger in some new form to commerce, and to which, at the moment, no adequate reply appeared practicable, have prompted the suggestion that commerce through the Mediterranean should cease in time of war: with the rider that, since bases have no purpose except in war, security in the Mediterranean should cease to be an element in the British policy of defense. On this Admiral Colomb, writing in 1888, observed:

> It is probable that no strategist or statesman seriously contemplates nowadays a scheme of Imperial Defense which assumes the destruction or diversion of the flow of British trade between the Pillars of Hercules. It is no doubt the fact that from time to time there springs up a certain advocacy of alternate routes to the East. But I am not sure that I have met with any proposal to abandon the Mediterranean as a preliminary measure for the defense of the Empire.

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Such a diversion occurred during the War of 1914–18 owing to the difficulties experienced in guarding shipping against the submarine. The cure was found in the convoy system, and the trade through the Mediterranean was resumed. It is not beyond the bounds of possibility that circumstances might again arise calling for such a diversion, embarrassing as it is bound to be to commerce. If British sea power should prove inadequate to provide the means of defense simultaneously with controlling the military lines of communication, the elementary principles of war would dictate that of two objects the one of lesser importance must be sacrificed to that of greater. The military situation in the Mediterranean would be eased by relieving, for a time, the naval forces of their purely defensive function, giving them in consequence greater freedom to use their whole efforts in active operations, in combination with Britain's allies, against the fighting forces of the enemy. The sea would not become an open road for all the military or mercantile forces of the enemy, nor a road closed to the military movements of the British and their allies.

So the same conditions which British statesmen in the past aimed at fulfilling require to be fulfilled today if Great Britain is to play her part in a common cause and secure her national economic interest: adequacy of numbers, aptitude of types, and security of harbors so placed that they can serve the purpose of repairing, storing, victualling and recuperating the fleet.

The practical question which then arises is, whether in view of the changed conditions of territorial possessions or changes in the types of fighting instruments it is possible to fulfil those requirements. Have new weapons come into existence against which the ship is so vulnerable as to be certain of destruction or disablement? Are the harbors so exposed that they can no longer be used? Are other harbors, out of reach of attack, located so far from the areas in which force must act if it is to be effective that they are strategically useless?

To meet the attack from the air, ships have been increased in size in order to carry the armor and embody methods of construction which shall protect them against the bomb and the torpedo. Yet, when the long story of the rivalry of the missile and the armor is studied, one thing stands out. However powerfully the ships may be armored, in the long run the gun and its shell beats the armor. The size of the ship has been tripled and her cost increased tenfold, with a disadvantageous result from the

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economic point of view and a purely sterile one from the point of view of strategy. No fleet has ever been able to remain and survive in a harbor dominated by the artillery of an army, whether that artillery was the field pieces which drove the Mediterranean fleet out of Ventimiglia and Toulon, the heavy siege pieces which sank the Russian fleet in Port Arthur, or the movable guns which made the ships move out of Suvla Bay.

Has, then, the range of the gun now become the range of the bombing plane? In other words, is the plane, in reality, a gun with an extended range? It is regarded in that light by some authorities. If it be correct that the plane is capable of doing all that the gun has done, within the range of its flying endurance, Mediterranean strategy is affected in two ways. All bases within the range of aircraft become as untenable as were all bases within the range of those guns. All areas through which shipping has to pass which are within reach of the plane become as closed to shipping as a coastal route under the fire of shore guns.

Is this so? If it so be, all those movements outlined in the preceding remarks, movements which were the expression of Britain's ability to assist her continental allies and to secure her own trade (the security of that trade having its own relation to assistance of those allies) become impossible. The bases essential to the fleet become untenable, and the fleet is disabled. It cannot perform its functions.

It is not so. The analogy is inexact. The gun has a far higher degree of accuracy and greater volume of fire and ammunition supply. It is always present upon the spot. Its use is not debarred by gales. The gun, the projector of the missile, is practically immune: the record of bombardments tells the tale of its immunity. On the other hand, the projector of the bomb, the plane, difficult to destroy at great heights though it may be, is very far from immunity at ranges at which effective practice is to be expected against targets of a restricted size. Ships are such targets, and the smaller they are the less is the expectation of hits. It seems sometimes to be supposed that because occasional hits will be made, ships must shun areas in which aircraft act. It would be as logical to argue that because ships in battle are liable to be hit they must shun battle. A ship, even a small ship, is by no means necessarily put out of action by a single hit, though the possibility exists, and applies to large ships as well as small. We saw great ships disappear under a single salvo at Jutland.

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The analogy with the gun is in fact incorrect, and it would be wrong to say that because shore batteries can command the waters lying within their zone of fire the plane can exercise a corresponding degree of control within the distance of its flight. A more correct and closer analogy is to be found in the torpedo boat, the small swift vessel whose protection lies in her speed and in the small target she presents, and whose armament is the torpedo, a missile inaccurate except at close ranges, as the number of hits made by torpedoes in battle shows.

To say this is by no means to say that the bomb or the torpedo is a missile to be contemned. The lesson is that precisely as when a ship is passing through a zone in which torpedo attack by surface craft is possible, and precautions have to be taken or injury may occur, so precautions must be taken and injury expected in zones like many of those in the Mediterranean where raids upon shipping from the air may be made. But attack in such areas will be raids. It is not to be supposed that permanent cruising forces can be maintained in the air and the area kept under a constant threat as an area commanded by guns is threatened. The old lesson taught by experience is applicable to air forces. To keep a force capable of effective action in a position at sea where it shall exercise a permanent control requires either great endurance or great numbers of reliefs. The endurance of aircraft is measured in hours. The number required for permanent occupation is astronomical.

It is just to remark, however, that permanent cruising in the air in the narrower parts of the Mediterranean may not be necessary. Scouts of a type which can keep the sea and cannot be driven off may give notice by radio of the approach of ships, so that within a few hours an air force may arrive from a shore two hundred miles distant. Theoretically this has an attractive sound. In practice such procuring and transmitting of intelligence is less easy and less certain. No greater mistake could be made than to assume that the passage of a body of shipping through a particular zone is predictable with the exactitude and regularity which a successful system of the nature outlined demands. Moreover, such a system presupposes the allocation of a very considerable air force, in permanent and instantaneous readiness to proceed whenever a report is received. This implies that it is both practicable and wise to impose long periods of inaction upon a considerable mobile force of a type which, in war, has many demands made upon it.

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In its essence, therefore, the situation as regards shipping passing through those parts of the Mediterranean in which air forces can act comes down to this: that what is the equivalent of a new form of torpedo boat of limited cruising endurance has come into existence. Its high speed enables it rapidly to reach a spot where the presence of a quarry has been reported. Reporting depends upon the power to maintain scouting forces, and though the submarine offers considerable opportunities as a scout, we have seen that she is by no means a certain outpost. The inaccuracy of the missile makes it necessary that the attacking air force be present in large numbers, which are in consequence totally withdrawn from any other services. These conditions, difficult as they may be to fulfil, are, however, not impossible of fulfilment.

Shipping would therefore need defense. But it would need defense whether or not there were this addition to the flotilla, for the other types of naval craft, from the battleship to the destroyer, are also capable of making sallies: as we saw the High Sea Fleet making a sally in force in April 1918. It never was possible, even in those days when British naval superiority was greater than it ever has since been — in the Napoleonic Wars — to confine an enemy to port. Still less is it possible today. We should therefore expect to see that happen which has happened before. Escorts, capable of meeting whatever force in its various types is expected to put to sea, are allocated to convoys. To the types appropriate to meet the attack by surface vessels there must now be added others apt to the purpose of aerial gunfire. Such are small vessels capable of delivering a larger volume of fire rather than a few great ships.

Would such attacks result in rendering the maintenance of a flow of trade through the Mediterranean too costly, either in losses or military effort? This is a question to which a dogmatic answer is impossible. Opinions of the relative value of the surface craft and the super-surface craft are too divided to admit of dogmatism. But when all the strategical considerations are brought under review — the conditions precedent to action, the conditions needing fulfilment for continuous operations — the probabilities do not justify the somewhat light-hearted conclusion so often reached and expressed, that the new types of flotilla craft have it in their power to control the movements of shipping in the Mediterranean. Affect it they certainly will. But that they will deny the passage, that no defense against their attacks is practicable, are assumptions it is impossible to accept.

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There is a further question. Emphasis has been laid upon the necessity for bases, and on the need that those bases secure: the word "secure" meaning not only that they are secure from capture but that their ships, docks and storehouses are secure from injury. Is it possible that the fleet will be driven from its bases, as the fleets were driven by gunfire in earlier times? Or driven to the use of bases so remote from the area where danger lies that their power to control would disappear?

The most favorable position for a base is one in which the fleet is so close that it can, with a reasonable degree of certainty, intercept any movement of the enemy. To be close to an enemy is to bring the base within range of the enemy's air force and thus to render it and what it contains and shelters liable to attack. Whether ships could lie in a base within range is again a question to which no dogmatic answer can be given. An estimate can be made and no more. Great expenditure has been devoted towards making a few ships impregnable to attack from the air, but it is a very great question whether such ships, so costly and irreplaceable, would, for all their protection, be kept in such bases, though it is more than probable that the smaller vessels would have to be placed in those positions — a curious commentary on the policy of size. This, however, would not deprive the fleet of its powers either of defense of shipping or of controlling military movements if other bases beyond the range of aircraft were available. Though there is an advantage, there is no absolute need in convoy work for a base close to the enemy. Defense is needed throughout the voyage, and the Mediterranean voyage extends from the Canal to Gibraltar. Bases at the terminals fulfil the needs of this service.

But it is by no means certain that the defense of a fleet in a base, and of the base establishments, is impossible. The forms of defense against other natures of flotilla attack have taken two forms: obstructions in the shapes of mines, booms, breakwaters and nets; and artillery. In the air the same two forms exist; and while no one would say that they have reached the same degree of efficiency as that of the earlier kinds, it is hardly open to doubt that they are in a state of constant improvement. Ships can be moved to other bases: docks and stores cannot. But docks and stores "take a lot of destroying;" and it is not to be left out of consideration that the ships, docks and stores of an opponent are also liable to the same form of attack. Nor is it altogether irrelevant to note that the bombardment of an arsenal is accompanied

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by a great destruction of civil life in the crowded community which clusters round it and is liable to result in retaliation.

But putting aside this consideration, with all the incalculable effects of retaliatory warfare, the fact remains that if the great ships of one navy cannot lie in their bases because of the danger of attack from the air, neither can those of an enemy. They too must be removed further from the zone of action, and a point may be reached at which neither can play the part played by their predecessors of the line, and the struggle for command would develop between those smaller vessels which do not fear the air and whose losses are capable of being replaced.

Is it then possible, under the new conditions produced by new instruments, for Great Britain to exercise the powers she has hitherto possessed in the Mediterranean in aid of her allies and in defense of her own interests? The answer which the present writer would give is that it is: but that she needs to return to that policy which dictated the provisions she made for her cruising forces until recent years. This was expressed by Mr. Goschen in March 1896. The Admiralty program of cruisers, he observed (and it is to be remarked that "cruisers" include the modern flotilla) was based "not upon a comparison of cruisers other nations have, because their conditions are entirely different from ours, but upon the question what we have to defend, what services will have to be performed, in what direction the food supplies will have to be protected, and what resources we have."

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THE NEW TRADE POLICY OF THE UNITED STATES

By Henry F. Grady

IT MAY be assumed that the recovery of world commerce is conditioned to a large degree on the recovery of our commerce, and that our commerce is, in turn, dependent to an important degree upon a revival of general world business. The Administration's foreign trade recovery program has, therefore, awakened world-wide interest. There is hope and some apprehension in this country, and hope, and perhaps skepticism, abroad. How valid are these various feelings of hope, skepticism and apprehension?

The best way to judge the possibilities of the American trade agreements program is to state briefly its aims and purposes. The Act of June 12, 1934, entitled "An Act to Amend the Tariff Act of 1930," gives the President the power to modify customs duties and other import restrictions in exchange for similar concessions from other countries which will result in "expanding foreign markets for the products of the United States." No existing duty, however, may be changed by more than 50 percent, and no article may be transferred from the free list to the dutiable list or from the dutiable list to the free list. The Act authorizes the Administration to reduce trade barriers set up by the United States in exchange for the reduction of such barriers in other countries, with the objective of increasing the commerce of the United States and, *pari passu*, that of the countries with which trade agreements are made. Moreover, being based on the unconditional most-favored-nation principle, each bilateral agreement stimulates international trade in the aggregate.

The whole program, and more particularly the methods employed, have come in for a good deal of criticism, not only on the part of those who are opposed to any actions which would affect our present tariffs and of those who are committed to the philosophy of autarchy, but also on the part of those who genuinely believe in broad international trade and who feel that its reëstablishment is vital to any important degree of world recovery. Some of these more sympathetic critics have doubts as to the efficacy of the trade agreements program as now being conducted and feel that some other method would be better. I shall discuss

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frankly the arguments advanced by such critics, rather than those of the opponents of any liberalization of our commercial policy.

The only alternatives to the mutual lowering of trade barriers as contemplated in the trade agreements program would be either a unilateral lowering of our tariff rates or a multilateral lowering of rates and other barriers on the part of the principal countries of the world by means of an international convention. Unilateral action by the American Congress would undoubtedly be a quick and effective method if the system under which the world operated before the war, and to some extent after the war, were still in use. If the world's commerce were free from the many restrictive devices which have been instituted in recent years, and if some sort of an international gold standard were in operation, the lowering of our own tariffs would result in an increase in export commerce more or less corresponding to the increase in imports facilitated by our tariff reductions. But with conditions as they are today, I am convinced that a unilateral tariff reduction program, even if politically feasible, would not have this effect. In view of the possibility that exports would not increase quickly enough to compensate for disturbances to certain branches of American industry, there would be a strong probability that the tariff reductions would be quickly withdrawn and replaced by still higher tariffs. At a time when we are just emerging from the depression it would be particularly difficult to make tariff adjustments downward without some assurance of immediate compensations in the form of increased exports. Under present conditions, unilateral tariff action is not economically and politically a practicable alternative to the program now in operation.

A multilateral convention would take much time to conclude and it would have the further disadvantage of being based on percentage decreases in rates which would have little relation to any scientific adjustment of tariff schedules. Another defect of the multilateral method is that the varied situations in which the countries of the world find themselves make it difficult to find a satisfactory common denominator. Any agreement between a large number of countries is likely to go no farther than those least prepared to reduce trade barriers can go. And there is an even more cogent consideration. Tariff rates have lost much of their importance as a factor in the trade control methods of many important countries. Consequently, multilateral action, unless it included a formula (most difficult to work out) for a relaxation in

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various controls such as quotas, exchange allocation, and government monopoly purchases, would not reach the root of the problem. The reciprocal reduction of rates and barriers which the Administration has been working out under the trade agreements program, whatever may be its limitations, thus seems to offer the most promising approach.

In order that the trade agreements program might function broadly and without the complications that would at once arise were our tariff reductions applicable only to the country with which an agreement is made, the Act provides, in accordance with the principle of unconditional most-favored-nation treatment, for the generalization of the reductions to all countries that are not discriminating against American commerce. This principle, clearly provided for in the Act, has been subject to criticism mainly on the ground that it freely gives to third countries the benefits of our tariff reductions without requiring any direct compensation from them. Critics of this policy argue that we are going even beyond the obligations we have with those countries with which we have unconditional most-favored-nation arrangements, and are extending our generalizations not only to countries with which we have, formally at least, conditional most-favored-nation treaties, but even to countries with which we have no treaties or executive agreements whatsoever. It is urged, therefore, that the conditional, rather than the unconditional, form of the most-favored-nation principle would better serve our national interests. I believe that a moment's consideration will make clear that the policy we pursue is sound.

The conditional most-favored-nation principle seems logical enough as an abstract legal concept. But as a practical instrument of commercial policy it leaves — speaking with excessive moderation — something to be desired.

One of the most important obstructions to our trade which we seek to eliminate through our trade agreements program is discrimination against our commerce on the part of foreign countries. The bearing of the conditional most-favored-nation principle upon the attainment of this objective may be seen from the following illustration. Suppose that a country which in order to avoid offending anyone we shall call Latinia, grants a concession on automobiles produced in a rising industrial country, which we shall name Europa, in exchange for a concession by the latter in favor of Latinia's lard. Both of these concessions are of interest

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to the United States since both products are of export importance to us. But let us concentrate for the moment on the lard. Europa's concession on Latinian lard is more than a favor to the latter. It is a positive injury to us because our competitive position in the Europan market is impaired. We must therefore try to do something about it. Our treaty with Europa contains the most-favored-nation clause in its conditional form, and Europa has not extended the lard concession freely to any other country. In order to remove the discrimination we must offer Europa something which we regard as indisputably equivalent to what Latinia has given, namely, precisely the same duty reduction on automobiles. But Europa has doubts about the equivalence of the concession we offer. The position of the American automobile industry is so strong, and the nature of the consumer demand in our market is such, that even if automobiles were put on our free list Europa could not compete. Latinia, on the other hand, is an agricultural country, with little or no domestic automobile industry, so that a reduction in duty really means something to Europa in the way of increased trade in its type of automobiles. Europa demands, therefore, as the price of removing the discrimination against our lard, that we offer a concession that will be more than nominally equivalent, and suggests some other product. What will it be? This may prove to be a very difficult thing to agree upon, especially if, as has been known to happen, Europa has made up its mind that nothing that we can offer will be accepted as an equivalent. By the time an agreement is reached American lard will have been displaced in Europa's market and our exporters will have turned their attention elsewhere. As a practical means of assuring equality of treatment for our commerce the conditional most-favored-nation clause is an excellent subject for academic discussion, but nothing more.

Plainly operations under the conditional most-favored-nation principle are difficult and cumbersome. It involves almost constant negotiation, gives rise to international ill-feeling, and invites retaliation. There is haggling for a specific *quid pro quo* on each concession. The unconditional principle, on the other hand, is based on the broader concept of reciprocity in the form of generalization of concessions in return for generalization of concessions. It is fully reciprocal, since unconditional most-favored-nation treatment is predicated on like treatment in return.

This doubtless is one reason why even the countries with which

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we have conditional most-favored-nation arrangements have followed the general practice of generalizing concessions to us on an unconditional basis, and why it is good policy and good practice for us to do the same, not only in the case of the countries with which we have conditional most-favored-nation treaties and agreements, but also in the case of non-discriminating countries with which we have no commercial treaties or agreements whatsoever.

It is important to keep in mind that the non-generalization of a concession is a *de facto* discrimination against the countries which do not immediately get the lower rate; hence, in self-defense, these countries retaliate or threaten to retaliate with a view to having the discrimination quickly removed. There are those who would go so far in establishing the conditional form of agreement as to serve notice of the abrogation of all our unconditional most-favored-nation treaties and agreements, in number about thirty-five. Under such a plan, we would have to buy back with tariff concessions all the many and valuable benefits which we are enjoying as a result of these treaties. We would end up about where we were before abrogation. To what end? The suggestion is the reduction to the absurd of the conditional argument.

An alternative might be for us to negotiate simultaneously with all countries likely to benefit from a reduction of our duty on any particular commodity whenever that commodity becomes the subject of negotiation with any one country. Remembering the difficult negotiations involved in making a trade agreement with a single country, one can see how impracticable, if not impossible, it would be to wipe the slate clean of all unconditional commitments and attempt to carry on simultaneous negotiations with all the countries concerned with a view to regaining the benefits assured before the agreements were abrogated. We used to be the sponsors of the conditional most-favored-nation principle, but tardily abandoned it in 1923. The reasons for abandoning it then were very strong. They are compelling now.

Until recently we had but one tariff schedule, and raised or lowered our rates with respect to all countries. We did not follow the practice of altering our rates under agreements with other countries. That is why we did not experience the practical disadvantages of the conditional most-favored-nation principle in actual operation. Now we have, in effect, a two-column tariff, established by means of bilateral agreements. Were we to go back to the conditional principle now, all the disadvantages I have

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referred to above would be accentuated. If we conceded, as we would have to do, the same principle to countries with which we make or do not make agreements, we would have to buy from each country every concession not granted freely to third countries. We would be in constant and difficult negotiation to prevent actual discrimination against our export business and, what is of very great importance, we would never have any assurance that even those concessions obtained by trade agreement negotiations would not be taken from us, at least temporarily, by further concessions on the same item to third countries.

The conditional most-favored-nation theory is that each specific concession must be bought by a specific concession. Many countries at the moment are following this narrow *quid pro quo* bargaining policy. The conditional principle has inevitably degenerated into a vast and complicated system of bilateral arrangements which have made international commerce in effect commercial warfare, with countries forced to buy from each other what are not, in a true sense, trade-building concessions, but rather tribute for immunity from acts of commercial aggression.

The whole system of clearing arrangements, compensation agreements, etc., concluded usually for short periods, is, in effect, the nullification of the commercial treaty as an instrument for trade-building, and has developed into a net-work of preferential arrangements. These arrangements frequently implement the bilateral balance of trade theory, and thus serve to channelize and reduce world trade. It is not necessary to discuss the particular instrumentalities used in what has become a form of trade warfare, nor the reasons for the development of the extensive controls of trade, to realize that the philosophy behind the whole movement is the antithesis of the unconditional most-favored-nation principle.

Consequently, if this country is to make a serious effort to turn the tide of commercial warfare, which logically runs into autarchy, it can do so only on the unconditional most-favored-nation principle. This principle goes absolutely counter to what is happening in many countries, and represents a repudiation of the concept of bilateral balancing of trade. Our policy of using discrimination as the criterion for withholding generalization is fair, is in harmony with the unconditional most-favored-nation principle, and will, we hope, prove to be an effective instrument for the complete reëstablishment of that principle in the world.

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Some persons assume that the development of trade controls in many countries, clearly tending toward bilateralism, makes the application of the most-favored-nation principle in our agreements impracticable or even impossible. They argue that we should, therefore, adjust our own policy to the trend which is predominant in certain other countries, despite the definite indications that it has failed as a means of sustaining or increasing the volume of international trade. This criticism is in line with the argument that because certain countries of the world seem bent on war, we should be also. It is the philosophy of defeatism.

There are, however, those who though they wish that we may succeed in reëstablishing more liberal trade policies on the only principle upon which sound international trade can be reëstablished, i.e., the unconditional most-favored-nation principle, still have doubts as to whether it can be done. They point out that the large number of compensation agreements now in effect in Europe and in some of the Latin American countries so tie the trade of those countries that it is impossible for them to extend unconditional most-favored-nation treatment to us. They contend that bilateralism has developed so far that it will be impossible, at least for the present, to free commerce sufficiently to enable it to find its natural channels. True, there are one or two important countries whose arrangements with certain other countries have gone so far that they may not any longer be able to carry out agreements with us except on the bilateral balancing principle. However, with most of the countries of the world, even where some compensation agreements have been entered into, it is quite possible for us to make agreements which will carry out the principles for which this Government stands.

It must be kept in mind that the mere fact that a country has been forced by its currency position to establish control of commerce does not necessitate its violation of the principle of fair or unconditional most-favored-nation treatment. Controls instituted to reduce the volume of imports need not result in the artificial diversion of trade from one country to another. The principle of bilateral balancing is not implicit in the principle of control.

The bilateral balancing concept has been developed as a club to increase export trade. It is intended to force countries which have raised barriers excessively to moderate them, under the pressure of threats to their export trade where imports fall short of sales. Those countries which normally have a passive merchandise

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balance have been tempted by this concept of bilateral balancing. It has not worked, however, because it has resulted (as revealed by a study of the commerce of countries which have committed themselves to it) in a leveling down of the trade rather than a building up of exports.

However, those countries which have used controls simply to reduce the sum total of their imports, and which have not gone too far in applying the bilateral balancing idea, can make agreements with the United States on the unconditional most-favored-nation principle. They can do so because, while historically the principle contemplated tariff rates as the only form of trade control, there are no reasons why something approaching this principle cannot be applied to other forms of trade control such as quotas, exchange allocation, and government monopolies. Fair and equitable treatment is the criterion. Quotas, exchange allocation, and government monopolies can easily be used to divert commerce from one country to another, but clearly this is not inherent in the use of these controls.

When a country is under the necessity of cutting down its imports there is no reason why it should not do so proportionately to all the countries from which it is buying goods. It can do this if it establishes its quotas on the basis of percentages of imports in some representative period. Obviously the selection of the standard period may, in effect, be discriminatory; quotas not infrequently are allocated on the basis of some period selected for the purpose of diverting commerce from one country to another. But agreement could be reached without too much difficulty as to what period would result in something approaching fairness to all concerned. Although the selection of a standard period involves the freezing of the proportions as they existed in the past, makes for less elasticity and prevents the normal shifts of trade which might occur under uncontrolled conditions, the allocation of quotas in the manner indicated represents the application of the underlying philosophy of most-favored-nation treatment to the greatest extent that quota systems permit.

The same thing is true of the sometimes more arbitrary control of trade through exchange allocation. A government may provide that the share of the total available exchange allotted for trade with such and such a state shall be based upon the proportion of the total exchange used in a previous period, prior to the establishment of exchange control, for the settlement of commercial obligations.

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In the matter of government monopolies, the problem is somewhat more difficult, but provision can and is being made in agreements where monopolies exist that American suppliers be accorded "a fair and equitable share of the market as nearly as may be determined by conditions of price, quality, etc., such as would influence a private commercial enterprise." As a matter of fact, agreements including such safeguards have already been concluded, and it is anticipated that others will soon be made with other countries now exercising controls of these various sorts in which assurances will be given of unconditional most-favored-nation treatment to American commerce.

A number of countries have arbitrarily cut down what would be our proper quotas. Hence the assurance that we will receive a fair share of the trade of each of those countries, regardless of the form of control which it adopts, will provide immediate increases in our exports, and further expansion as general trade of the countries in question expands. We will be assured of the benefit of all concessions in the way of reduced tariff rates or expanded quotas. In other words, we will be on a footing of equality with every other country with which the countries in question carry on trade.

On our side, we agree to extend immediately all the tariff reductions which result from trade agreements with third countries, or from Congressional or Executive action. We assure fair treatment on any quotas we have or may have. We assure fair treatment in the event of any possible exchange control that an emergency might require. Each agreement contains sanctions which insure the carrying out by both parties of these principles of fairness and equity.

It is true that the countries with which we make agreements will be in the happy position of securing additional tariff concessions as the trade agreements program advances. But we likewise will get further concessions from those countries with which we make agreements, and from all countries giving us unconditional most-favored-nation treatment. However, the extent to which they can liberalize their policies depends very largely on the general unshackling of trade restrictions.

The United States is not under the pressing necessity that some other countries are of instituting trade restrictions, owing to its normally large export balances and strong gold position. We therefore could afford to give concessions even without receiving the

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same immediate compensation that may be necessary in the case of some of the countries with which we are making agreements. Our objective is the general amelioration of the world situation. We shall find compensation in a greatly increased export business as a result of opening up our markets in greater degree to the world's goods through the medium of trade agreements.

If we can bring about a general liberalization of international trade practices, I am convinced that we can carry out the trade agreements program in a manner which will not affect our domestic economy adversely. The careful study and investigation carried out by a large group of experts regarding the commodities upon which concessions may be made insures a type of scientific tariff adjustment such as our country has never had before. Fifteen large volumes of documented material were prepared for the negotiation of the Belgian agreement. Studies equally extensive have been prepared for the other countries with which agreements have been concluded or with which we are negotiating. All the questions involved are carefully considered by technical committees and by a general committee made up of seasoned tariff and commercial policy specialists, with a view to promoting the economic welfare of the country as a whole. One would be rash indeed who would argue that the Tariff of 1930 is a perfect instrument or who would contend that there are not large numbers of items the import of which can be permitted or increased without adverse effect.

Often it seems to be assumed that imports are detrimental to domestic production, even if they do not directly compete with it. This is based on the fallacy of limited purchasing power. But purchasing power expands with trade. It is generally realized that purchasing power and economic activity can be expanded and contracted, but this is often overlooked where international commerce is concerned in the widespread belief that imports for the most part displace American production. In a broad sense, goods and services coming into the country are the purchasing power for goods which will go out of the country. Activity, income, and employment will increase with the two-way increase of international trade.

A careful study of our trade agreement schedules reveals a great many items of which the domestic production is either nil or very small, and of which the imports might beneficially be increased. Frequently it is possible to break down tariff classifications and to

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reduce the duties on certain items which had been included under political pressure. In some cases seasonal reductions in duties are possible; in others, duties may be reduced in the interest of price flexibility to check monopolistic control. The fact that we can produce effectively 50 or 60 or even 90 percent of a commodity does not mean that we can produce 100 percent of it efficiently and cheaply. Protected by a high tariff wall, producers take care of the whole 100 percent, but often only at great economic cost to the country as a whole and serious reduction in the amount of consumption which that 100 percent represents.

Criticism is heard that the program has been moving too slowly[1] to accomplish the restoration of international trade, and that in any case it will not go far enough in adjusting our tariff schedules downward to put us in a position consistent with that of a great commercial and creditor country. While it is true that the number of agreements thus far signed is small, this has been due to the necessity for extremely careful preparation on the one hand, and on the other to the difficulties of adjusting the principles upon which we are working with the policies being followed by many of the countries with which we are in negotiation. Now, however, the problems of procedure and policy are largely solved, the program is now gaining momentum, and it is confidently expected that by the first of the year upwards of a dozen agreements will have been consummated.

This criticism is less justified now in view of our trade agreement with Canada, signed November 15, 1935. This, the most important of the trade agreements which have been negotiated, will, when it becomes effective on January 1, 1936, establish our commercial relations with our northern neighbor on the basis of reciprocity for the first time in almost seventy years. So fully has the daily press carried the details of this agreement that it is unnecessary to repeat them here, but some of the highlights may be mentioned. The opportunity for increased trade is demonstrated by the decline the trade has suffered, from 503 millions of dollars of Canadian exports in 1929 to 232 millions in 1934, while in our exports the decline was from 899 to 302 millions.

The few tariff quotas provided for in the Canadian agreement may be criticized as constituting a restriction on trade. But they

[1] Four agreements are in effect: with Cuba, Haiti, Belgium, and Sweden. Three are signed but not yet in effect: with Brazil, Colombia and Canada. Ten are in active negotiation, with early consummation expected.

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limit merely the quantity of imports to be admitted at the lower rates and do not restrict trade as fixed quotas on total imports usually do. The tariff quota used under these circumstances to the limited degree it has been employed in the Canadian agreement is a step in the direction of trade liberalization, not restriction.

The fact that, in addition to the products on which Canada has granted us specific tariff concessions, a long list of other items will benefit from lower rates through the application of most-favored-foreign-nation treatment to our goods, is an example of the practical, dollar-and-cents benefit of the unconditional most-favored-nation principle to our trade.

It is too early for official statistics to show impressive results from the agreements now in effect. Only one, the agreement with Cuba, has been in operation as much as a year. But that example is noteworthy. During the first twelve months in which the new agreement has been in effect our trade with Cuba has shown an increase in the value of our imports of 43.6 percent, excluding sugar, and in the value of our exports of 58.8 percent. Some have suggested that this increase in trade has been due to causes other than the trade agreement. The fact remains that our exports to Cuba have increased relatively far more than our trade with other Latin-American countries, while Cuba's exports to us have grown relatively far more than her exports to other countries. In any case, it must be clear that even if other factors in the trade relations of the two countries are favorable to expanded business, the lowering of tariff barriers between them must be a real factor affecting the increase, for obviously commerce flows more freely when artificial barriers are cut down.

The contention is frequently made that we cannot make progress in the program which I have outlined here until currency stabilization has first been effected. I am convinced that the liberalization and normalization of world trade must be pressed vigorously without awaiting formal stabilization. To say this is not to minimize in the slightest degree the importance of currency stabilization in the reëstablishment of an international monetary and price system. But our own program furnishes proof that much can be accomplished on the basis of *de facto* stability. At the same time, the standard general provision making possible the abrogation of the agreement in the event of wide variation in the exchange rates is itself a strong stabilizing factor.

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It is not too much to say that the trade agreements program is of fundamental and prime importance for the functioning of the international price system and the functioning of the system of free enterprise. For even more serious than tariffs and trade barriers as such, and far more threatening with respect to the future of world industrial development, is the virtual destruction during the last four years of the structure of international prices as a result of gross discriminations, preferential arrangements, and the arbitrary control of trade by means of import quotas and exchange allocation. These measures have made it virtually impossible for our traders and others to compete on an equal footing in many foreign markets.

The international price structure cannot function properly in a network of arbitrary preferential arrangements. Industry and trade cannot be organized on a stable and economic basis. Trade degenerates into a catch-as-catch-can scramble. Systematic planning is impossible. Admittedly, the disruption of the world economic situation is itself the basic cause for the initiation and rapid growth of these arbitrary arrangements. Free enterprise, however, cannot survive except in a world economy knit together by a reasonably free international price structure. Although the deranged world monetary structure is itself an obstacle to the restoration of international trade, progress may nevertheless be made in the direction of the reduction of trade restrictions and the removal of arbitrary trade discriminations by a direct attack on these practices. In fact, formal currency stabilization might prove abortive unless real progress had first been made in removing barriers to trade and in restoring normal international price functioning.

One of the large barriers to world trade has been our own excessively high tariff. The tariff policy of this country since the war has gone far beyond the bounds of legitimate protection. It has given rise to retaliatory measures, which, implemented by new instruments of commercial warfare, have greatly injured our trade. The trade agreements program is not in any sense a free trade program. It is merely an attempt to remove the causes of retaliation and to restore thereby to American enterprise its natural markets abroad and to retain at the same time reasonable protection for domestic industry.

We have already lowered many rates, which have been generalized to other countries. When we shall have gone the rounds of

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most of the important countries of the world, reducing in each case the duties on commodities of which it is the principal or important source, we shall have lowered our tariffs on a great many items where the case for lowering is justified. As a result of extending these reductions to virtually all countries, we will obtain, it would seem, what the proponents of unilateral tariff reduction desire; but we will do it more carefully and scientifically than is possible by legislative action. We will at the same time bring about a substantial downward revision of foreign trade barriers. Normally, the foreign countries with which agreements are concluded will generalize their concessions to third countries. Eventually, therefore, our trade agreements program, with the coöperation of other nations, will have accomplished something of very real importance towards the general reduction of world trade barriers.

By the policy of withholding generalization of concessions from countries which in fact discriminate against American commerce, we give them an incentive for removing their discriminations. We are not taking a self-righteous attitude, but one which is essentially practical. We will not have a blacklist. We will have a two-column tariff. If countries will give us in effect unconditional most-favored-nation treatment, they will get it from us; if they do not give us such treatment, they can hardly expect the benefits of our minimum rates.

Because of the importance of our position in world trade, because — let it be admitted — we ourselves have raised our trade barriers to excessive heights, we can with good grace take the lead in a trade recovery program that promises to go far to reëstablish world business. With the restoration of normal business, we hope that the reasons for import restrictions and the various types of trade control will speedily disappear, so that the peoples of this and of other nations will enjoy in fuller measure than ever before the benefits of the international exchange of goods.

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CANADA, THE EMPIRE AND THE LEAGUE

By John W. Dafoe

NOT the least remarkable feature of Canada's remarkable general election campaign, which ended in October in the return of the Liberal Party to power, was the fact that the appeals of the major parties avoided all temptations to exploit the critical international situation for political purposes. This was a break in the Canadian political tradition, and it bore striking testimony to the effect of Canada's new status of independence and equality upon the poise and balance of our parties. Formerly the attitude owed by Canada to Great Britain in matters of war and defense was a continuing issue in our politics which, in times of excitement, threatened to submerge all other issues.

The contrast between the excitement which attended the Chanak incident in 1922 and the calm of 1935 when the international situation was even more menacing, is a measure of our growth in a sense of national dignity and reserve. The League of Nations was in existence in 1922; but when the new and aggressive Turkish Republic threatened the arrangements of the Treaty of Sèvres, the government of Great Britain at once accepted the responsibility of defending the threatened positions and forthwith sent advices to the governments of the Dominions which have been variously described as messages of mere information and as a summons to take part in the struggle which was thought to be impending. That they were the latter cannot be successfully denied.

This 1922 call to action was a "try-out" of a system of imperial government which had been tentatively agreed upon at the Imperial Conference the year before. The system provided for common external policies and for common action in support or defense of them. When the hour came for its application it broke down principally because Canada, where there had been a change of government from Conservative to Liberal between 1921 and 1922, failed to obey the summons pending consideration of the situation by the Canadian Parliament. There was wide-spread resentment in Canada because the government at Ottawa refused to line-up with the governments of New Zealand and Australia

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which automatically responded to the signal; and a political issue at once emerged. Mr. Meighen, who had represented Canada in the Imperial Conference of 1921, and who was then leading the Conservative Party in opposition, at once challenged the policy of the Liberals. Speaking in Toronto, Mr. Meighen declared he would back up the government in rushing a message of loyal co-operation overseas as New Zealand and Australia had done. Canada, he said, was a party to the Treaty of Sèvres. "Yet when Canada is appealed to and asked to stand by her compact, when Canada should have said 'ready, aye, ready,' we did nothing." Europe, having been threatened by a new power, Great Britain had found it necessary to raise her hand and say, "Only thus far shall you go." "Britain taking this stand," Mr. Meighen continued, "sends messages to her Dominions, not a merely indifferent informal inquiry if we can judge from the evidence, but an appeal for coöperation. New Zealand and Australia replied at once and the British Government in a message of thanks to these countries — a message in which Canada was not included — expressed its heartfelt gratitude on behalf of the British people. Out of this crisis arises the question which is today foremost in the minds of the people: Where should Canada be found when the Motherland asks her to take a stand in defense of a treaty and a treaty which is not only hers but ours?"

This was in September 1922. Nothing could be more accurate than Mr. Meighen's statement that at that time a great body of opinion in Canada, representative of perhaps half the people, held that the British Government must determine external policy for all the British nations; that the plain duty of the Dominions was to say, "Ready, aye, ready," when this policy involved the possibility of war.

It is this attitude which has almost completely vanished from the minds of the people of Canada in the intervening years. When the Italo-Ethiopian difficulty became menacing to world peace, Great Britain acted with vigor and decision as a member of the League of Nations. This marked a change of attitude on the part of Great Britain from a position of guarded and qualified support of the League to what is, to all appearance, a permanent acceptance of the League as the determinant of British foreign policy where it affects those high issues which have within them the possibility of war. "The League of Nations," said the National Government in its election manifesto, "will remain the

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keystone of British foreign policies." "I am quite certain," said Winston Churchill in Parliament, "that the British Empire will never fight another war contrary to the Covenant." On this occasion, unlike 1922, no fiery cross went out to the Dominions summoning them to the defense of Imperial interests. Great Britain and the Dominions met at Geneva not as an Empire bloc but as individual member states of the League of Nations concerned with the other member states about Italy's violation of her League engagements. The attitude of the Canadian Government towards this issue was stated by Mr. Howard Ferguson, the High Commissioner of Canada in London. "If," he said, "a solution of the Italo-Ethiopian difficulty is not found and if there is resort to war, then the whole post-war system of collective security, based not on arms and alliances but on the outlawry of war and the pacific solution of all disputes, would be in danger of collapse. Such a collapse would affect every member of the League in every continent. There could be no escape from its consequences." "We hope," he added, "that an honorable and peaceful solution of the Ethiopian controversy will yet be reached. If, unfortunately, this proves not to be the case, Canada will join with the other members of the League in considering how by unanimous action peace can be maintained." Though the language was guarded, it was an acceptance by Canada of her obligations under the Covenant. It brought within the range of probability the association of Canada with the other members of the League in the application of preventive or punitive sanctions.

The proceedings at Geneva synchronized with a Canadian political campaign which was being fought with the usual noise and violence. The leaders of both major parties, however, instead of finding in these developments the pretext for further controversy, as would certainly have been the case ten years earlier, made statements which while textually different amounted in content and purpose to virtually the same thing. These statements appeared much too guarded both to the perfervid Imperialist and to the militant Leaguer, but having regard to the state of opinion in Canada (which with respect to the possibility of serious trouble was hostile and incredulous) they were marked by a wise restraint. Both Mr. Bennett and Mr. King, the leaders of these parties, put an emphasis upon their determination to protect the interests of the Canadian people. Yet there was a recognition of the duty which was imposed upon the League to

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keep the peace, if necessary by restraining an offending power, and an acceptance both express and implied of obligation on the part of Canada. Mr. King, who succeeded to the premiership in the following month, was the more explicit of the two, since he envisaged the possibility of the intervention of the League resulting in military sanctions. He made an engagement that, if actual war threatened, the Canadian Parliament would be called upon to decide whether the circumstances required Canadian participation. This reservation in no way derogated from Canada's acceptance of League obligations, since under the resolution of 1923, interpreting Article 10, each country must decide for itself whether its geographical location and its particular interests require participation by it in the application of military sanctions. Nor did the emphasis put by the party leaders on the need to consider national interests in reaching decisions imply any foreshadowing of an attempt to evade legitimate obligations. As a Canadian newspaper put it: "The maintenance of peace and the outlawing of war is for Canada as for every other civilized country the primary national interest."

Remarkable to those familiar with the explosive possibilities of any question involving even a hint of war were the absence of any attempt by the major parties to exploit isolationist sentiment, and the common agreement that this was a question affecting Canada only as a member of the League. This implied a common neglect of the theory that there ought to be an Imperial policy bearing on the matter in issue to which all the Dominions should proclaim their adherence. The significance of this did not seem to be understood or appreciated by the public, which accepted the disappearance of a once dominant note as a matter of course. There naturally were protests here and there. The most vigorous of these appeared in the Ottawa *Journal*, a leading Canadian paper of independent Conservative views. Its criticisms reproduce faithfully the sentiments of the "Empire" school. On September 18 this paper said:

> The *Journal* would have liked to see some political leader in Canada making a plain confession of faith at the present moment both as to the League of Nations and as to what he holds should be the position of Canada in the ultimate as regards British connection. There has been no such leadership. There has been merely the convenient refuge that if the worst comes to the worst — if British war eventuates — Parliament will vote about it. . . .
>
> Vote about it? Vote about what? About war? In part, yes. But what more? We take it that separation from the British Empire would be involved. And, if

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that is so, or even if only probable, would it not be well for us to understand the issue clearly now, and that our political leaders should discuss the matter frankly and state their own point of view? And, as they are intelligent men, state that should British war ensue, a vote by the Dominion Parliament as to whether Canada should take part will not be a vote merely about war but will necessarily be, we think, a vote as to whether or no Canada shall declare separation from the British Empire? . . .

And so the *Journal* will contribute its own third point of view, namely that we think this country should remain British to its last man and its last dollar — that the British League of Nations is the best League of all, the greatest factor for peace whenever peace is possible, and the best hope for the future of the world. . . .

There could be no more complete expression than this of a political doctrine strongly held in Canada but yesterday, but which has mostly evaporated leaving behind it a very limited sense of loss. Here we have the assumption that there is a "British" war in sight and that therefore the Dominions with their hands on their sword hilts should pledge support to Great Britain in the policy which is in the making. And there is also the assertion that the British League of Nations, being the best League, has first claim on the affections and the allegiance of the younger British nations. From the Empire group protests have come, as here noted; but it is interesting and suggestive that up to the time this is written the supposedly powerful isolationist group has been, with inconsiderable exceptions, silent.

It is much too early, however, to interpret these signs as evidence that there has been a complete crystallization of Canadian public opinion behind the pro-League attitude. Public interest was monopolized until the middle of October by our unique political campaign with four national parties competing for the mastery and the exciting spectacle of Mr. Bennett, the chief of the doomed Conservative Government, making a spectacular last stand on the public platforms. It is only now that the realization has come home to the generality of the electors that war is again loose in the world and that Canada is directly concerned with the vindication of the principle of international law — new since 1919 — that the keeping of the world peace is the collective task of the nations.

The Liberal Government, upon taking office, reaffirmed the Canadian position with greater precision but yet with a note of caution, keeping the door open for the possible exercise in the future of those rights of reservation which are permissible under

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the Covenant. In a public statement, Mr. Mackenzie King, the new Prime Minister, said:

> The League authorities are being informed that the Canadian Government will take the necessary steps to secure the effective application of the economic sanctions against Italy proposed by the coördination committee. The Canadian Government at the same time desires to make it clear that it does not recognize any commitment binding Canada to adopt military sanctions and that no such commitment could be made without the prior approval of the Canadian parliament.
>
> It is also to be understood that the Government's course in approving economic sanctions in this instance is not to be regarded as necessarily establishing a precedent for future action.
>
> In the future, as in the past, the Government will be prepared to participate in the consideration of the most effective means of advancing the aims of the League through the adjustment of specific controversies, the lessening of the rivalries based upon exaggerated economic nationalism, the renewal of the effort to stem the rising tide of competitive armament, and such other policies as are appropriate for a country in the geographic and economic position of the Dominion, and as will ensure unity and common consent in Canada as well as the advancement of peace abroad.

We have here an illustration of how decisive events can be in reducing a complex theoretical problem to simple proportions, thus revealing the way to its solution. For the past four years there has been incessant controversy in Canada over foreign policy and the course which should be followed to ensure the Dominion maximum security. Until 1931 there existed an unreflecting belief in the workability of the League. The era of wars of conquest and ambition was supposed to be over; the League could and would keep the peace; the responsibility for the direction of the League would fall in the main upon the Great Powers. Canada therefore had no occasion for worrying. This easy optimism did not survive Japan's adventure in Manchuria. Canada was shocked by Japan's callous and daring resort to pre-war policies into realization that she might find herself again in a war of vast range and possibly, as a Pacific power, in the area of actual disturbance. From that time forward there was continuing discussion as to what course the Canadian Government should take in preparation for the dangerous times which were foreseen.

The three schools of opinion already described — the Empire, the League and the Isolationist — had their counterparts in Great Britain, though the isolationists in their terminology and program (so far as this was developed) drew also upon sources in

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the United States. The Imperial school urged the re-consolidation of the Empire, in terms of foreign policy and defense, at the very moment when by the passage of the Westminster Act the right of the Dominions to complete control of their external relations was being given formal legal recognition. They wanted the creation of some kind of organization which would ensure a common foreign policy in matters which might involve war, common arrangements as to defense, with an allocation of duties and responsibilities. This was an attempt to give definite form to the vague and formless project of 1921, which went to pieces the following year in the crisis after the Chanak incident. Some saw a place for this Imperial bloc in the League of Nations, but others shared the opinion which has never lacked free expression in influential quarters in Great Britain, to the effect that there is a fundamental divergence between the spirit of Geneva and the historic destiny of the British peoples. Let the British nations stand together, trade together, cultivate self-sufficiency to the greatest possible degree, arm themselves against emergencies, and face the future with courage and confidence — such was the program advocated with a considerable measure of definiteness by writers, public men and journals holding "right wing" views.

This movement was well under way by 1933. It encountered in Canada, as in Great Britain, the resistance of League of Nations sentiment. The strength of this sentiment in Canada was however a matter of doubt. It found formal expression through the League of Nations Society, an organization which struggled for existence in the face of apparent public indifference. Much of the League sentiment was nothing but a vague, idealistic aspiration for peace. It did not give grounds for much hope that it could be counted upon in a time of emergency. Further to the left was the admittedly formidable but as yet formless body of isolationist opinion. The more vocal elements in this group were outright isolationists, opposed alike to Imperial commitments and League obligations. But, as events were to prove, much of this sentiment was contingent — it awaited, before becoming operative, the demonstration of League impotency.

A considerable clarification of opinion resulted from the British Commonwealth Relations Conference which was held in Toronto in September 1933 under the auspices of the Royal Institute of International Relations and its affiliated body, the Canadian Institute of International Affairs. This conference was

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made up of unofficial groups representing all the nations of the British Commonwealth (except the Irish Free State); and the complex question of the right relationship of these nations to one another and to the League, became the central theme. The views of the delegations from Australia and New Zealand were wholly in favor of an Imperial bloc with common foreign and defense policies. In the British, Canadian and South African delegations the three varieties of opinion noted above had their exponents. As the discussions proceeded, it became clear that answers could not be found to many of the Commonwealth questions in which the delegates were interested until the functions of the League had been defined not in theory but by practice. Among the puzzling Commonwealth questions were these:

Does the declaration of war by the King upon the advice of his Ministers representing one British nation bind all the nations? Or is neutrality possible for a nation whose Ministers did not join in the advice?

If the King can declare war on the advice of one set of Ministers, can any one of his six sets of advisers — the Government of Canada, for instance — tender this advice and thus involve all six kingdoms in hostilities? Or is the right to declare war still vested solely in His Majesty's United Kingdom Ministers?

Such questions presupposed a world in which the British nations could collectively or individually pursue policies involving war. It became very obvious that this pre-supposition either took no account of the League of Nations or regarded it as a negligible factor. This point of view was put forward with such force that a sub-commission of the Conference was constituted to study it. The sub-commissions' report was of remarkable brevity and reached conclusions beyond challenge:

> It seems clear to us that in perhaps every case that can be imagined the machinery of the League or the obligations assumed under the Kellogg Pact will make clear to the nations of the Commonwealth the course that they should pursue.
>
> It seems to us academic and unprofitable to consider legal constitutional difficulties which might arise if there were no Covenant and no Kellogg Pact. The principles of freedom and coöperation and "agreed anomalies" on which the Commonwealth is based, may create difficulties in many fields and we feel, therefore, that it would serve no useful purpose to try and foresee problems in one field, that of war, which we are entitled to hope are never likely to arise, and to seek to apply to them legal conceptions as to war and neutrality appropriate to the pre-League world.

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The inference from these findings was that the British nations, instead of worrying about their war-time relations with one another, should concern themselves seriously with the question of their relationship to the League and with the much larger problem of the effectiveness of the League's equipment to do the work assigned to it, i.e. the keeping of peace by making war and peace the collective concern of the nations. This was recognized in the report of the Conference, in which the following observation was made:

> Whatever view may be held as to the authority of the collective system at the present time, as to the best means for strengthening it, and as to the nature of its interdependence with the Commonwealth, the moral forces which have brought about the establishment remain in existence — at least in the British Commonwealth. Inside its borders, they find their expression in the common outlook and ideals which form the deepest bond between its members. Thus, without seeking to predict the course of future events, it is clear that in the strengthening of these forces lies the best hope not only for the future of the Commonwealth but for the preservation and peaceful progress of our civilization.

The effect of these findings upon subsequent developments of opinion throughout the Commonwealth may be over-estimated. It may be that the Conference revealed tendencies more than set them in motion. But certain it is that the suggestion in the Conference conclusion that the Commonwealth nations, in coöperation but not as a centralized bloc, should in all ways possible support the League as the most effective available means of furthering peace has been vindicated very strikingly by developments in the British nations since 1933 and specifically by the attitude which these nations now have taken towards the Italo-Ethiopian dispute.

In Great Britain supporters of the League have insisted that Great Britain face up to its ultimate obligations under the Covenant. This opinion finally found in the Peace Ballot an expression so formidable and convincing as to be, apparently, the determining factor in recent British policy. The discomposure of the British Government over the determination of those in charge of the Peace Ballot enterprise to invite the judgment of the public on the desirability of invoking sanctions in case of need was shown in many ways, as for instance by the petulant protests of the London *Times*. As early as 1919 the British public had been officially advised that the League simply provided for a new, free, flexible

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conference method of diplomacy. In the intervening years that view had been repeatedly expounded. Only a few months ago a group of notable students of international affairs, said, in suggesting modifications in League objectives, that "Great Britain cannot accept the kind of commitment which in the present temper of continental politics is alone likely to satisfy the continental demand for security." These commitments, it was further explained, are, "too rigid for British taste or British parliamentary institutions." The most effective comment upon such tactics of belittling British support of the League is supplied by a series of speeches made in the last three months: by Mr. Baldwin and Sir Samuel Hoare on behalf of the British Government; by Mr. Winston Churchill; by Sir Herbert Samuel, on behalf of the Liberals; and by Dr. Hugh Dalton on behalf of the Labor Party. Great Britain has become openly and avowedly a country whose foreign policy upon issues which involve the possibility of international friction is League policy.

In Canada also, as noted above, there has been a corresponding revelation of readiness to support the League and to make the League's policy the policy of Canada in times of international stress. The doctrines of isolation — that we should withdraw from the League or should stay in it only on the understanding that it involves no obligations in the way of sanctions — which were advocated in the past two or three years with increasing stridency, have been abandoned or are in abeyance while the League seeks an adjustment of the present dangerous Ethiopian difficulty. Canada, like Great Britain and the other British Dominions, has made herself an active coöperating part of the League in an attempt to give effect to League principles as plainly set out in the Covenant and not in the spirit of the watered-down interpretation which has been so widely employed in the past sixteen years. This is the position at this time of writing; and if it should change before these lines appear in print it will be due to the fact that the League has proved unequal to its task and has faltered in its purpose.

Should this happen — if the 52 nations now joined together to vindicate the law of nations should fail, implying thereby not their impotence but their final unwillingness under test to use their power collectively — the League, as it was conceived by its founders and for the purpose to which it was primarily designed, would disappear, though it might survive in chains for the dis-

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charge of minor international functions if there should be room for these in a world which had rejected the idea of collective security and gone back to conditions of international anarchy. In that event, what would be the relationship of Canada to the other British nations and to the outside world? The discussion of this hardly comes within the scope of this article. Here is a bridge to be crossed only when it is reached. But it can be suggested that the world that would result from the disappearance of the League would give testimony to the soundness of the predictions that in a Leagueless world the British Commonwealth would be subject to strains of unpredictable violence with consequences not to be estimated. In such a world the conception of a British peace maintained over the seven seas by the pooled power of the British nations available for action under some common agency of control would not be realizable. Great Britain is a European country by geography and by interest; she would have to protect herself, not only at home but with respect to her colonial interests in every part of the world, by joining whatever European alliance would offer the best guarantee of security.

This would be a security not of peace but one based on the hope of a predominance of power in the wars that would inevitably ensue. Great Britain could not carry the Dominions — at any rate not all of them — into any such alliance. It is indeed probable that, in facing the realities of an anarchic world, she would find that she could not afford to have her freedom of action as a European power limited by the timidities and resistances of the Dominions. This is a consideration to which not enough attention is given. Locarno is an illustration. The British Government believed that it was essential for the pacification of Europe that Great Britain should be a party to the Locarno agreement; and alone among the British nations Great Britain signed it, thus raising questions as to the internal relationships of the Commonwealth nations to which answers are not yet forthcoming. The Dominions were not prepared to join in the obligations which Great Britain undertook as a signatory of Locarno. To what degree did her action impose upon them responsibilities to which they had not given consent? General Smuts at the time thought the action disruptive. Certainly the succession of such acts to which Great Britain would be driven in defense of her European and Imperial interests, in the absence of the League of Nations, could not but be disruptive.

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No little probability therefore attaches to the prediction that the abandonment of the idea of collective security would be followed by changes in the relationship of the British nations to each other. The present indefiniteness, with its dangers both to Great Britain and the Dominions, could not be allowed to continue. The alternative — a common foreign policy and pooled strength for offence or defense, so persistently cherished by the Imperialists both in Great Britain and the Dominions — could not be achieved in the face of realities. As in the case of the existing Commonwealth, which is without precedent or parallel as a form of constitutional union, there would have to be developed some new unique basis of relationship which would give large liberty of action to all units of the Commonwealth to adjust their policies in the light of their own problems and of such important considerations as geographical location and particular sectional interests or affiliations.

These are questions for the possible future. They will never arise if the League is able to fulfil the purposes for which it was brought into being. But should the League collapse, the next day they will be on the doorstep of Great Britain, Canada and the other British Dominions.

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PADEREWSKI

Musician, Patriot, Statesman

By Lord Howard of Penrith

IGNACE PADEREWSKI celebrated his seventy-fifth birthday on November 6.

His career as a musician is so well known, he is so universally recognized as an artist of genius, that it is hardly necessary even to refer to that side of him in an article dedicated to the period in which he suddenly sprang into fame as a statesman, except in so far as this is needful in order to explain how and to what degree his musical career assisted him to help his country at a most critical period of her history. Most of those who never came into contact with him during the Paris Conference, or in Warsaw during his term of office as Prime Minister, are probably unaware to what extent his international reputation as an artist enabled him to obtain his first personal contacts with statesmen in Washington, London and Paris. But above all things it was the force of his own remarkable personality, his candid faith in justice and righteousness, and resulting from these his powers of persuasion, which gave him such outstanding influence and helped so greatly to decide the fortunes of Poland both at Paris and Warsaw during the difficult days of the first intoxication of freedom, a time perilous not only for Poland but also for the other lands which received liberty at the greatly and very unjustly abused Paris Conference.

I write this advisedly. It is clear to anyone with a knowledge of the history and geography of Central and South Eastern Europe that, though some injustices were certainly committed in the various treaties made at Paris, these injustices literally weigh as nothing in the balance in comparison with those that were removed. The restoration of Poland as an independent country with free access to the sea is probably the best example of this assertion. And this was very largely the work of Paderewski.

It is not too much to say that the Polish nation, which attained the status of an important Power in Europe as far back perhaps as A.D. 1000 under Boleslav the Great, and up to the Renaissance developed both culturally and politically far more rapidly than its neighbors to the east, north and west, namely Russia and East and West Prussia, was before the Great War as completely

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wiped off the minds of men as it was off the map of Europe. Few people could tell what its boundaries had been in 1772 at the time of the first Partition between Prussia, Russia and Austria. Few knew anything about its history, except perhaps that some remembered vaguely that there had been a series of unsuccessful insurrections against Russia during the first seventy years of the nineteenth century. The general feeling, if it ever was formulated, was that the Poles were a restless, troublesome, intriguing race who might be happy if they would but give up their dreams of independence and reunion. Their cause, divided as they were between three great Empires of Europe, was hopeless. Frederick the Great was right when he said at the time of the Partition that there would never be war between Prussia, Russia and Austria because they had gone to communion together and divided the Host. The Chancelleries of Europe no longer discussed the Polish question. It had sunk into complete oblivion.

Then for Poland the great miracle happened. When the war broke out in 1914 there seemed as little hope as ever that it could bring her any benefit by way of a rectification of the flagrant injustice of the Partition. But little by little the three Great Powers which were fighting around and across her gradually staggered and fell. First Russia, the great steam roller, dissolved and weltered away under the hot blast of Prussian and Austrian cannons. Next came the turn of Austria. Finally on November 11, 1918, Germany also fell to pieces like a house of cards.

Long before this date, naturally, patriotic Poles had been busy preparing for the possibility of a restoration of at least some part of their country and their liberties. But their councils were, very naturally in the circumstances, divided. It was difficult for them to decide to unite in an appeal for help to the Allied Powers. Generally speaking, it may be said that the Russian Poles, looking for freedom from their oppressors the Russians, began to hope for assistance from the Central Powers in the event that these should be victorious (as most Continental neutrals believed they would be). The Austrian and German Poles, when their masters began to totter, commenced to approach representatives of the Entente with a view to obtaining some of the liberties which were being promised subject nations by the democratic Powers. Obviously divisions in Polish councils were bound to follow.

Among the groups of Polish patriots formed during the critical months in 1916–17 when the issue of the war hung in the balance

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was one called the "National Committee" whose chief was M. Dmowski, leader of the National Democrat Party. The Committee's aims, apart from reëstablishing their country's independence, were conservative, anti-socialist and nationalist.

It was at this point that Paderewski entered on the political stage. Various members of the Committee were chosen to represent it in the different Allied and Associated capitals. Dmowski as head of the National Committee at first remained in Warsaw. Piltz was put in charge in Paris, Sobanski in London and Skirmunt in Rome, while Paderewski went to the United States. He was chosen no doubt because through his musical tours he was better known in North America than any of his countrymen and because he could speak and write English. Paderewski believed that the moment of Poland's liberation was at hand. He felt that he could at one and the same time carry on propaganda for the starving and devastated areas of Poland which had passed from hand to hand during the war, make personal contacts with the principal politicians and leading business men of the United States, and deliver addresses explaining to all sorts and conditions of men the real nature of the complex Polish problem. "*La patrie avant tout*," he said. "*L'art ensuite*." In pursuit of his object he gave concerts for the benefit of the Polish devastated areas, and interlarded the numbers with addresses on the Polish situation. He was a great natural orator, but he also made a definite and close study of oratory as an art. In his tours back and forth across the American continent, addressing everywhere vast audiences at universities, in concert halls and theatres, collecting very large sums for Polish relief, he certainly, with the combined help of his music and his oratory, exercised a very exceptional influence. It is reported that one Senator, meeting him at an evening party, said: "I am told, Mr. Paderewski, that every time you play that fascinating instrument of yours (making a movement with his arms as though using the bow of a violin) you add another Province to Poland."

Colonel House, describing the situation in the Polish colony in America said: "When Paderewski reached America the entire situation was completely changed. He gave to the American Poles a single purpose, checking all futile and scattered desires. Having foreseen before others the part the United States was to play in the Great Tragedy, Paderewski never lost faith in the ultimate outcome. In what measure the efforts and sagacity of Paderewski

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were crowned by success may be gauged by the fact that towards the end of 1916 his countrymen in America, without dissent, chose him as their plenipotentiary, conferring upon him power of attorney to act for them and decide all political matters in their name or on their behalf." [1]

Paderewski won over to the Polish cause not only Colonel House but the more difficult personality of President Wilson.

One evening Paderewski played at the White House — by exception, for the artist-statesman had given up playing privately. He played only Chopin. The President was not very musically inclined, but he was touched by some human chord and a conversation followed during which Paderewski was able to interpret to the President the shocking situation of Poland and make real to him the story of the Partition, that callous dismemberment of the living body of the Polish nation amongst its neighbors. The President's sympathy for the cause of Poland never changed, and bore good fruit later at the Paris Conference.

On January 8, 1917, Colonel House asked Paderewski for a detailed Memorandum on the Polish problem for submission to the President. Paderewski handed one to House, who left for Washington with it on January 11. On his return he informed Paderewski that, having almost committed the essential passages to memory, he had been able on more than one occasion to develop its arguments to the President, who declared he absolutely agreed with them. House concluded: "Today the President withdrew to his room. In solitude he is preparing his message. The bomb will explode in a few days' time."

In his message to Congress of January 22, President Wilson for the first time mentioned Poland. "Statesmen everywhere," he said, "are agreed that there should be a united, independent and autonomous Poland." It was, says Mr. Rom Landau, the first time in a hundred years that a leading statesman had dared to mention publicly the necessity for a new Poland.

Twelve months later President Wilson formulated and published his famous Fourteen Points. The thirteenth advocated a united independent Poland "with a free and secure access to the sea." This was all-important. It is true that other countries like Switzerland had existed for centuries without access to the sea. But the position of Poland is peculiar. She is a country of the first

[1] "Ignace Paderewski, Musician and Statesman," by Rom Landau. New York: Crowell, 1934. p. 111.

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magnitude. Further, a strip of territory connecting her most westerly province with the Baltic Sea near Danzig (though that city itself is indeed overwhelmingly German) is hers by right of history, race, language and the sentiments of its inhabitants. This strip, now generally known as the "Polish Corridor," had been an integral part of Poland before the Partition.[2] Unfortunately it divided the two German provinces of East and West Prussia. The problem was whether it was more unfair to agree that those two provinces should lack a land connection, or to deprive Poland of her seacoast and make her dependent on the good will of Germany for her power to import and export freely by sea.

The delegations of the Great Powers at Paris agreed without difficulty on giving the "Corridor" to Poland. It undoubtedly was Paderewski who convinced both Wilson and House of the justice and expediency of this measure. Today, the more one examines the problem from every side, the more it appears that the step was vital to a really independent Polish state, while at the same time was not of such a nature as to inflict any serious injury on Germany. The principal argument against it, that it looks ragged on the map, appeals only to those ignorant of the real circumstances. The Treaty insisted that free railway traffic between East and West Prussia must be maintained without interference by Polish Customs authorities. After some early trouble, I believe it may now be stated with confidence that the Polish Government fully realizes that it is not to its advantage to make difficulties for German traffic across the "Corridor."

When Paderewski left New York for Paris shortly after the Armistice he could feel satisfied that the main objectives of his work there had been accomplished. In Paris he conferred with members of the French Government, and also with Dmowski as to the future policy of the National Committee. From Paris he went on to London, where he at once went to see Arthur Balfour, Secretary for Foreign Affairs, who was an old friend and who had already promised British support for an independent Poland.

Balfour pointed out, however, that Poland was in one respect in an unfortunate position. He did not see, he said, how she could be represented at the Peace Conference in which her fate would be decided. The British Government had recognized the National Committee as the responsible Polish Government. But they had

[2] Before the war the district returned Polish representatives to the Prussian Diet and the German Reichstag in a great majority, except in the two cities of Danzig and Bromberg.

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not recognized the Polish Government then in being in Warsaw (that of Pilsudski), and the latest news from there was not reassuring. Yet it was necessary for Poland to be represented at the Conference. Mr. Balfour said with emphasis: "It is your task, Paderewski. I want you to go to Poland to unite the Polish hearts."

The Government which had been established in Warsaw was that of a most remarkable man and great patriot. Pilsudski, having fought on the Austrian side as a guerilla chief against Russia, being chief of the activist elements among the Socialists in Poland, and having a large armed following, had later in the war been imprisoned by the Germans. He was released by them on the eve of the Armistice, hurried back to Warsaw, organized an armed force to keep order, and arranged for the evacuation of the country by all German troops. He seized the reins of the administration and made himself *de facto* ruler of Poland, whatever the National Committee in Paris might say or do. He was the object of profound suspicion to the National Committee, and returned it with interest. It looked very much as if all the new hopes for Poland might be wrecked on this fatal antagonism.

It was to this state of things that Balfour alluded when he said it was Paderewski's task to go to Poland "to unite Polish hearts." Poland owes him a very great debt of gratitude for his wise foresight. Paderewski understood and promised to go, but said he would only go by sea via Danzig and Posen. For this it would be necessary for him to travel by a ship of the British Navy. At first Balfour hesitated; but Paderewski, scenting the importance that his arrival in a British ship would unquestionably give to his mission in Polish eyes, insisted. He was informed, after Balfour had had time to consult his colleagues, that he could start on December 21 by a small cruiser, the *Concord*, a name of good omen.

So on that day, in this vessel, M. and Madame Paderewski started on their fateful journey. The sea was rough and still sown with mines. In spite of cold and discomfort, Paderewski with all his accustomed sociability enjoyed greatly the talk which he had with Captain Paton and the officers of the *Concord*. One evening he was invited to the Wardroom and repaid their kindness by playing to them on their old tinkling half-crazy piano. It was hard work, he told me, for apart from its being out of tune, the hammers wouldn't work properly, the pedals stuck, and the ship rolled and twisted to avoid floating mines. It was a memo-

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rable experience for both the officers and the great musician. After it was over his audience clapped and cheered, but he said his hands and arms were stiff for days after and one leg felt as if it had been wounded. Nevertheless he enjoyed it all and always spoke of that journey with real gusto. I do not remember poor Madame Paderewska being quite so enthusiastic.

After touching at Copenhagen, to pick up Colonel Wade, British Military Attaché to Denmark, who was to accompany Paderewski to Warsaw and then act as British liaison officer with the Polish authorities, the *Concord* proceeded to Danzig and arrived there on Christmas Day, 1919. A few Poles came to greet the patriot on his arrival at the empty docks. Other leading Poles, such as M. Korfanty the deputy from Upper Silesia, met him in the town and all together went by special train to Posen. A German officer who did not wear the red socialist badges met him at a station half way, clicked his heels, saluted in the old way and told him that the train could only proceed if it went straight through to Warsaw without stopping. After a parley, however, it was arranged that they might stop at Posen.

The enthusiasm created by his arrival in Posen knew no bounds, and flags of all kinds were hung out, including some British, French and American and even a red one flown by the German Soldiers' Council. A scarcely perceptible revolution declared Posen Polish, and some students stuck an old straw hat over the *pickelhaube* of Bismarck's statue by the Imperial Castle and put a third-class one-way ticket in its hand. This was, I believe, the extent of ill treatment accorded by the Poles of the City of Posen to the German population after 137 years of foreign domination. Some may think that this was due to the freedom and the friendly rule which they had enjoyed. But those who read the history of the Bismarckian persecutions will think otherwise.

On January 3 Paderewski arrived in Warsaw and was met by a crowd displaying the wildest enthusiasm. The resurrected Polish flag was everywhere. Soldiers in new Polish uniforms were on the platforms. The whole town was transformed. This was glorious, but at the back of the mind of the artist-statesman brooded no doubt the thought "What sort of a man is the new dictator, General Joseph Pilsudski?" Would it be possible to work harmoniously with him and create that union of hearts which Mr. Balfour had urged on him and which was in that crisis necessary for the salvation of the country? This was the new task.

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Pilsudski came of an old and noble but impoverished house, Polish by race but Lithuanian by long settlement. He had been banished as a conspirator to Siberia at nineteen. Released after five years, he became an active inspirer of revolution against the Tsarist Governments for the liberation of Poland, his life's dream. Mainly for this object he joined the activist Socialist Party, founded a secret socialist paper, was again arrested and imprisoned in the fortress of Warsaw, and escaped. He played hide and seek with the Russian police for some years till the Russo-Japanese war broke out. Then he organized a band of armed guerillas to hamper the Russian Government, often attacking trains conveying government money. On one famous occasion he captured 2,800,000 rubles. He always gave a receipt for what he took so that the officers of the convoy might not themselves be suspected of theft. His object was to make the Russian Government pay the cost of his campaign against them.

In 1914 he placed himself and his secret military organization at the disposal of Austria to fight his great enemies the Russians. He had considerable success. But friction developed between him and the Austrians and Germans and in July 1917 he was arrested by the Germans and imprisoned in the fortress of Magdeburg. Two days before the Armistice the Germans released him and sent him back to Warsaw. Here he gathered his old legionaries, re-organized the railway service under most difficult conditions, sent the leaderless German troops home (their commander General von Beseler having escaped down the Vistula), and placed himself at the head of the *de facto* Government of Poland.

The Allied and Associated Governments had recognized the National Committee in Poland as the true representatives of the country. The latter refused to treat with Pilsudski, whom they regarded in some sense as a usurper who had till recently been fighting against them and the Allies for the Austrians and Germans. No one in London or Paris knew anything about Pilsudski; his past life had been that of a revolutionary conspirator and it was quite impossible to say what line he would take now. He indeed protested friendliness for the Allied victors. But just as the National Committee regarded him with grave mistrust, so he did them, believing that they wished to oust him from his position of chief of the state. His very features were unknown to the Polish patriots in Paris and still more to the statesmen of the Entente. He was in fact a genuine mystery man. His guerilla successes were

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all that were known of him, and for these he had grown to be a sort of legendary hero among the Socialists — whom the National Committee feared, incidentally, quite as much as the Russians!

Pilsudski was the exact reverse of Paderewski. His face was striking, with very deep set, keen eye and dark eyebrows that met over the bridge of the nose, and with finely chiselled nose and decided chin. With his spare figure and in a plain grey uniform he looked every inch a conspirator soldier, and his silences and lack of all effort to please confirmed this impression.

Paderewski, on the other hand, was above all the artist and man of the world, carefully if rather unusually dressed, who loved, within reason, good living, good company and good talk to which he could contribute his full share. Both had this in common, that they adored their country above all. But they differed so deeply in everything else that after a time to work together and in daily contact became intolerable.

The first question which confronted Paderewski on his arrival was whether he would be able to charm the man of mystery into coöperating with the National Committee.

Mr. Rom Landau gives a graphic account of the first meeting of these two men whose coöperation was vital to Poland: "When both men rose after the long conversation Paderewski knew that no understanding was possible, and not merely because of a difference of political opinion. It was as though two planets had tried to revolve in the same orbit." The same evening Paderewski was informed that Prince Sapieha and some friends were preparing a *coup d'état* against the Socialist Government then in office. Paderewski would have nothing to do with it and left that night for Cracow. Whatever happened, he was not going to assist in creating a breach instead of a union of hearts.

The next night, about 3 a.m., General Szeptycki, Pilsudski's right hand man, arrived at Cracow, called on Paderewski in his hotel, and told him that the *coup d'état* had been suppressed and that Prince Sapieha and his friends had been arrested. Pilsudski was now asking Paderewski to return to Warsaw and form a Cabinet. Paderewski at once decided to accept, begged Madame Paderewska to have a cup of hot tea made for the General, and arranged to travel back with him in a special train. He became Prime Minister, with Pilsudski, the man of mystery, as head of the state and of the army. The union of hearts had been created, just as everything seemed to be falling to pieces.

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I made an entry in my diary in Paris on January 15 to the effect that Poland was saved. This was perfectly true. Paderewski had somehow charmed Pilsudski into so much of the spirit of union as was necessary for the time being.

The first Parliament of resurrected Poland was opened with ceremony in Warsaw on February 10. Many splendid uniforms and ecclesiastical vestments were brought out for the occasion, but General Pilsudski wore only his old plain tunic of the first brigade of the Legions. There was an inclination in some quarters to criticize him, accuse him of intentionally exaggerated simplicity. I doubt this; it was just his nature to pay no attention to such things as clothes. His position as chief of the state was confirmed unanimously by Parliament, which also on February 20 passed a vote of confidence in Paderewski as Prime Minister.

Despite this, Paderewski's position was difficult, for he was undoubtedly expected to obtain from the Allied and Associated Governments in Paris much more than they could agree to give. There were some Polish parties which clamored for a Poland extending to the Black Sea and including Kiev, not understanding that anything of this kind would be the surest way to bring down ruin on their country. The population was also in terrible straits for all the necessities of life. The land had been devastated by the ebb and flow of the war as perhaps no other. Paderewski's personal influence with the President of the United States enabled him to arrange that Mr. Hoover be sent on a mission to Warsaw to plan for food supplies from America, and this strengthened the Prime Minister's position. But the situation remained very uneasy; communist propaganda was growing more active and there were disturbances, strikes and demonstrations.

Paderewski was no doubt glad when in April he was able to leave for Paris in order to take part in the Peace Conference as the principal Polish delegate. The atmosphere there was more congenial than that of the Seym, for in truth he was not made for the rough and tumble of parliamentary life.

Before that time, however, an International Commission[3] was sent from Paris to Warsaw with two objectives. First, to report to the four principal Allied Powers whether the new state of Poland could be considered sufficiently established to be recog-

[3] Consisting of the following delegates: for France, M. Noulens, former Ambassador in Russia, and Gen. Niessel. For Great Britain, Sir Esme Howard and Gen. Carton de Wiart. For Italy, Signor Montagna and Gen. Romei. For the United States, Professor Lord and General Kernan.

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nized *de jure* as well as *de facto*, so that Poland might be admitted to the Conference on the footing of a recognized state. Secondly, to endeavor to arrange armistices on the various fronts on which Poland was still fighting her enemies. It will seem incredible to most readers that at the time when the International Commission arrived at Warsaw, *i.e.* on Wednesday February 12, fighting of a serious character was still going on to the north-east against the Russian Bolsheviks, who had actually reached Vilna in Lithuania, and on the south-east, in Galicia, against the Ruthenes who were trying to seize Lemberg and establish an independent republic; while on the west fighting of a desultory character still continued with German forces near Posen, and in the Duchy of Teschen, on the south-west, with the Czechoslovaks.

The two-fold nature of the work to be done by the International Commission necessitated visits to nearly all these centres of disturbance, besides careful investigations into the local conditions throughout the country, especially in some of the greater towns — Warsaw, Posen, Cracow, Lemberg, etc.

I give here the entry in my diary for the day of our arrival at Warsaw:

Wednesday 12th. February. At first Polish station a deputation with guard of honor, band, flags, speeches etc. M. Noulens, the French Delegate who is accompanied by his wife, made excellent speeches. Similar greetings in our honor occurred at each large town. One town, Novo-Radomsk, enjoyed the unenviable distinction of having passed seven times from one hand to another during the War. People at these stations looked very anaemic, ragged and poor. At Warsaw where we arrived about 4.30. p.m. the station was packed. M. Paderewski, the Prime Minister, came to greet us. Allied flags everywhere and lines of old Guild flags made the station quite bright. After speeches, a march past of a few soldiers, then the drive through the streets packed with thousands of people all cheering for the Allies as we drove at foot's pace in open motors. I felt that the people looked on us as in some sense saviors. Poland was beset on four fronts by Germans, Bolsheviks, Ukrainians and Czechs. We were expected to save them and bring them food, clothes, arms, etc. It is to be hoped that the Allies will decide to do something at last.

I well remember the impression Paderewski made on me that day. His marvelous halo of red gold hair turning grey, his pale face and clear cut features, his great fur coat, for it was very cold, and the graceful courtesy of his welcome. It was, strange to say, the first time I had ever seen him, for I had been a wanderer all my life and had never been in any city where he was giving concerts, so that it was my destiny to hear him speak in public long

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before I heard him play. But I realized immediately that he was what the Italians call *simpatico* in a high degree, and one of those people in whose presence it was pleasant to be.

Our drive at foot's pace through the dark slushy streets, lit here and there by arc lamps and made as gay as possible with Polish and Allied flags, the enthusiastic cheers of the crowds, the small urchins swarming like bees about and over our motor cars, the terrible poverty and hunger of the population and the feeling above all that we were actually living through and sharing in the resurrection of a nation which had lain in the tomb for nearly one hundred and fifty years, which even now could barely realize its own liberation, made that slow progress one of the most remarkable events of my life. It returns to me even now with extraordinary vividness.

We met Paderewski the following day, and occasionally dined with him. We heard him speak and realized that he was a consummate orator, speaking equally well in French and English. In Polish he was a really great orator, though not perhaps of the kind most suitable for a Parliament composed to a great extent of somewhat uncultivated people. I remember that when the Seym held a special session of welcome in honor of our Commission, the Prime Minister, who had made a most graceful and eloquent speech in French, repeated what he had said in Polish, possibly even more decoratively than in French, when from among the peasant members dressed in their picturesque costumes there came a voice "But this is not a concert." The House laughed. Paderewski was put out of his stride for a moment, then he laughed with the rest and continued unperturbed.

Occasionally when he was wound up in a speech he could be easily put off his train of thought by a sudden interruption. When a farewell banquet was given to the Commission on our return to Paris on March 29, among the sixteen speeches which were delivered in Polish, English, French and Italian, Paderewski's in French was of course the outstanding one. There was, however, one moment of uneasiness. When he was in the midst of one of his well-turned phrases the band at the far end of the hall struck up some national anthem. It was at once silenced, but not before it had effectively silenced Paderewski, who stood there for two or three minutes trying to recapture his train of thought. Then he shook his halo vigorously and said: "*Vraiment la musique commence à m'embêter.*" ("Really, music is beginning to annoy me.")

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The whole room shook with laughter, he started off again with vigor and carried his speech to a triumphant conclusion.

Among the affairs of state which occupied his attention at that time there was none more pressing than the care for the unfortunates who during the war had been dragged off into Russia and Germany to work in factories, on railways or in mines. It was said the Russians had taken off upwards of a million and the Germans about seven-hundred thousand. Many of these were returning now, some maimed, all ragged and half starved. The Prime Minister organized a special service to look after them, in which Madame Paderewska took a most active interest. One day after lunching with the Paderewskis I was taken by Madame Paderewska to visit one of the refugee camps. The refugees were coming in daily and literally in thousands. They required food and clothing and medical relief of all sorts, and had then to be sent home. It was like moving a large army. Transport was not good, and troops had also to be supplied on the four fronts on which fighting was still continuing. But where to send them so as to make room for the next batches of returning refugees? There were countless numbers whose homes had been completely destroyed and who didn't know whether any of their relatives were left alive.

Paderewski gave freely with both hands, and Mr. Hoover's Relief Mission with funds from America saved incalculable numbers from death by cold and starvation. All this went on for months after the Armistice, and was taken for granted as a natural result of the war. There were still people willing to spend money on killing their neighbors rather than on saving their women and children from dying of starvation and cold.

Then again there was the great work to be done of reorganizing the different government departments, a task trebly difficult in Poland because there were three different systems of administration — Russian, German and Austrian — to be assimilated and harmonized. There was no doubt that those Poles who had been taught in the Prussian school were the most efficient. But each wanted to carry on his business in the way he knew and it was a formidable task to harmonize these conflicting elements.

Finally, Paderewski had to attend to the all-important Ministry of Foreign Affairs, to correspond with the foreign statesmen whom he knew and who now were in Paris, and to give instructions to the Polish Delegation there. He had no proper offices — nothing but one floor of the Hotel Bristol in Warsaw, where he

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also lived and slept. I was told he often kept important telegrams from Paris in boxes under his bed. All this no doubt resulted in confusion and made work far more troublesome, giving rise to complaints. These grew in volume after Paderewski's return from Paris following the signature of the Peace Treaty, and were to result at last in a complete breach with the man in the grey tunic of the Belvedere Palace who smoked cigarettes incessantly and threw the ashes on the floor.

Meanwhile Paderewski still had to finish his part in the councils at Paris, and receive what to him must have been the crowning honor in a life filled with distinctions, the right to sign at Versailles the treaty that brought his country back among living nations.

I wondered what his feelings must have been when I saw him walk up to the table in the centre of the great Salle des Glaces of the Palace of Versailles, on which lay the Treaty awaiting his signature. He could not have been wholly satisfied, because much that Poland had hoped for and expected had not been granted her; indeed he was venomously attacked and finally driven from his place as Prime Minister by those who thought he should have obtained more. But that is the common fate of those who follow the paths of reason and of peace. At the same time he must have known that what had been obtained had come largely owing to his efforts both in the United States and in Europe, and because at a most critical period the "Union of hearts" had come about through his action.

When he finally retired from Warsaw — embittered no doubt, it could not be otherwise — and returned to Morges and to music, I have pictured him to myself repeating the last wonderful verse of the great soliloquy which Browning has put into the mouth of Abt Vogler, the creator of the organ:

> Well, it is earth with me; silence resumes her reign.
> I will be patient and proud, and soberly acquiesce.
> Give me the keys. I feel for the common chord again,
> Sliding by semitones, till I sink to the minor, — yes,
> And I blunt it into a ninth, and I stand on alien ground,
> Surveying awhile the heights I rolled from into the deep;
> Which, hark, I have dared and done, for my resting place is found,
> The C Major of this life: so, now I will try to sleep.

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THE AMERICAN FOREIGN SERVICE

By G. Howland Shaw

THE work of the American Foreign Service has often been shrouded in mystery. In reality there is nothing mysterious about it. In kind, it is the work that is being carried on in the United States by hundreds and thousands of men and women, but in the Foreign Service this work is carried on abroad and therefore differences of language, thought and custom play an important part. Specifically, in the Foreign Service we do the following:

1. Representation. The term refers to the fact that in their personal as well as their official relationships, members of the Foreign Service, by a mental process which may be naïve but which is nevertheless all but universal, are considered typical Americans and, whether for good or ill, are judged as such by the foreigners among whom they live.

2. The business of the United States Government in foreign countries. This is of endless variety and of all degrees of complexity.

3. The protection of legitimate American activities abroad, again a matter of infinite variety and complexity.

4. The gathering of information and its incorporation in telegrams, despatches, reports and letters. Sometimes the information is requested; sometimes it is voluntary. Sometimes it is useful; often it is not.

5. The performance of numerous administrative acts, prescribed by law and covered by detailed regulations, in connection with shipping, notarials, passports and immigration.

Most of this work is done by the Foreign Services of other countries, but with us certain special conditions exist and must be emphasized.

Because of our geographical position and our history, Americans firmly believe in avoiding as much as possible any entangling political contact with the rest of the world. That means that we have diplomatic missions in countries where we have no political interests at stake, and that in turn means that our diplomacy at those posts has an artificiality, an unreality, absent from the

Editor's Note. This is one of the winning essays in a competition open to members of the American Foreign Service for prizes offered by Hon. Robert Woods Bliss, former Ambassador to Argentina. The subject set was "The Utility of a Trained and Permanent Foreign Service."

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diplomacy of countries which must follow more realistic and precise political objectives. Our isolation from international political realities often creates a vacuum in the field of our diplomatic activity. This sometimes has been filled by idealism in some form or other, by trade promotion, by developing the social side out of all proportion, or by inertia. The means chosen depends largely upon the temperament of the Chief of Mission concerned.

Our fitful attitude towards foreign trade has placed and still places upon the Foreign Service a heavy burden of extra work which in the nature of things it can never satisfactorily handle. That is the second special condition characteristic of the activity of the American Foreign Service. Until recently we have had a domestic market of apparently inexhaustible possibilities and the tendency has been to resort to foreign markets irregularly and usually at times of crisis at home. Naturally, therefore, except in the cases of certain large corporations, we have not developed, as have other countries, a group of salesmen who know foreign languages and foreign business psychology and practices and who are willing to live abroad indefinitely. In the past, the Consular Service helped to supplement these inadequacies, at first alone and then in competition with the Commercial Attachés of the Department of Commerce. Because it is nowadays the central governments that are imposing trade restrictions, negotiating commercial treaties and making large purchases, the diplomatic branch of the Service is playing the leading rôle in matters affecting foreign trade. But meanwhile little progress has been made in systematically developing the competent salesman and it therefore remains impossible to decide where the work of the Foreign Service ends and that of the salesman begins.

What sort of men do we need for the work of the Foreign Service? In the first place, what sort of education should they have? This latter question brings us to a fact of fundamental importance. If a well-educated layman were called upon to perform an operation for appendicitis or to build a bridge, the results would be disastrous. In other words, a lengthy and specific technical education must be added to even the best general education before anybody can begin to perform either of these acts. The sufficiency of this technical education is determined by special examinations; we are not particularly interested in the quality of mind of the examinee and even less in his personality. In the case of the Foreign Service the opposite state of affairs

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obtains. The technical knowledge peculiar to the Foreign Service is limited and may be acquired with relative ease and in a relatively short period of time; whereas, at least in the leading positions in the Service, the quality of mind and the personality are of vital importance. True, a knowledge of law, of international finance or of economics can be put to excellent use in the Service, but these are subjects which belong to other professions and not to the Foreign Service. In brief, in the Foreign Service we need men of general education and of effective personality, whose tastes, technical training and experience have been along a number of different lines.

Let us try and define more closely the meaning of the terms "general education" and "personality." Among the important results of a good general education are: an ability to use printed sources of information; some skill in analyzing simple problems; a reasonable power of clear expression, whether orally or in writing; and, above all, an insatiable intellectual curiosity and desire to learn. By "personality" is understood the integration of these several skills and attitudes into an effective and well-balanced individual who has developed to a more than average degree an ability to get along with people of all sorts and conditions and win their confidence, a capacity for understanding the other person's point of view, and a solid common sense.

These qualities are enumerated, not only because of their importance in the work of the Foreign Service, but also because of their value in resisting its dangers. What are these dangers? The first is familiar enough and is not confined to the Foreign Service. If you take a man with a defective general education, give him an easily acquired technical training, and set him to the performance of routine duties, after a time the chances favor his developing into a rigid, unimaginative bureaucrat. At home and in his proper sphere he may be useful, but abroad he stands more nearly alone, he has more authority and hence can do much harm.

We have this type in the Foreign Service and the tendency for it to be developed is one of the reasons which can be urged against a permanent Foreign Service. We have another type which represents the second of the dangers of the Service. It is a fact that the Foreign Service, and especially the diplomatic branch, attracts the man who is not sure of himself, the man suffering from feelings of inferiority. The reason is clear. I may be an inadequate

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First Secretary or Consul General and yet, because I am an official of the United States Government, I am treated abroad with a certain deference and the amenities of life are forthcoming to a greater degree than any which would reward such mediocrity at home. In other words, my official position protects me from too vivid a recognition of my personal shortcomings. The third danger of the Foreign Service is the ease with which it is possible for its members to get into a rut. As previously stated, the technical knowledge needed is small. On the consular side, the procedures to be followed are minutely regulated by instructions and diplomatic protocol is much of a muchness everywhere. Once the effort necessary to memorize these procedures or this protocol has been made, an astonishingly small mental effort is needed in order to carry on, not with distinction certainly, but with the minimum of success which the Department of State considers irreducible. Mental stagnation is the result.

When we have got the educated man with a personality, what are we going to do with him? Shall we afford him an opportunity to grow by experience, to extend his education to the public advantage, or shall we throw him out of the Service after a few years of activity and thus enable others to reap what we, at least in part, have helped to sow? The case for a permanent Foreign Service rests on the obvious advantages of the first of these alternatives, but on condition that we get the right sort of man at the outset and administer the Service in such a way that he will find an atmosphere conducive to growth rather than to disillusion. If, on the contrary, the Service should fail to get a considerable proportion of such men, or if it should be so administered as to create an atmosphere favorable to the mediocre and the bureaucrat, I believe that most thoughtful persons, even though they might admit the desirability of having a permanent personnel to carry on the routine of the Service, would prefer to take their chances with the outsider in the higher positions.

We are now led to inquire how far the two conditions mentioned in the last paragraph have been fulfilled in the more recent history of the Foreign Service. The obvious results attained have been the organization of a unified Foreign Service composed of diplomatic and consular branches, administered on a basis of interchangeability, and the promotion of a number of men from the classified Service to the rank of Minister or Ambassador.

Some account must be given of the Diplomatic and Consular

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Services before the amalgamation of 1924. The essential fact is that the history and spirit of these two Services prior to 1924 was entirely different, not only different in terms of function as defined in international law but in a more far-reaching sense. Many of the older diplomats entered the Service as private secretaries to Ambassadors and Ministers. The selection was often made for personal or family reasons; the relationship was personal and the tenure of office often temporary. A few years in an embassy or legation was an experience which appealed to the sons of well-to-do parents who thought of it as more valuable than foreign travel. Much of this personal and episodic point of view was carried over into the Diplomatic Service when it reached a more organized stage of its development and when a system of entrance examinations and a classification were instituted. The Diplomatic Service as it used to exist has been likened to a club. The simile is unfortunate in so far as it implies merely recreation and snobbishness, but it is of value as emphasizing the personal relationship which existed among the members of the old Diplomatic Service. In justice to these men it should not be forgotten that while some of them were motivated by a desire to lead an agreeable social life in pleasant surroundings, others entered the Service in a spirit of adventure in the best sense of the word or with the idea which Colonel Theodore Roosevelt had done much to inculcate during the early nineteen hundreds, namely, that the sons of the more fortunate group in American society should devote themselves to public service rather than business.

The Consular Service developed along different lines. In the first place, the consuls were more numerous and more scattered than the diplomats. Personal relationships were therefore difficult to maintain and a more formal relationship developed among members of the Service. In the second place, the work of the consuls was of a more definite character, was easier to appraise, and involved more contact with the general public. Improvement would have been longer delayed had it not been for the discovery that the consul could help the bewildered American business man seeking to do business abroad. Around this discovery the Consular Service was gradually built up as an organization with a strong sense of hierarchy, a slowly but surely developing discipline and a rigid and narrow system for appraising merit which was useful in combating political interference.

The Act of May 24, 1924, united two groups of men generally

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differing in make-up, point of view and work. We are inclined to believe that a law can ignore or change human nature and when it fails to do so we often become excessively irritated, put the blame upon the machinations of a few unlucky individuals, and pass another law. This is very much what happened with the Foreign Service after 1924. The diplomatic and consular branches pulled apart, and when the inevitable hard feeling arose, the sinister influence of individuals or cliques was blamed. But the prosaic truth was that nobody had acted from sinister motives, but simply as might reasonably have been expected, having in mind the conflicting backgrounds and points of view involved. If there is to be any question of blame, then all the leaders of the Service must impartially be blamed for failing to understand that a law is not self-operating and that the only effective way to build up a unified Foreign Service was to redefine the work in such a way as to win the interest and support of the more progressive elements in both of the former services. This still remains to be done. In fact, attention has been steadily concentrated upon the organization, the machinery of the Service, virtually to the exclusion of the more vital elements of work and personnel.

So far as concerns the second of the two conditions for determining the value of a permanent Foreign Service — the creation of an atmosphere favorable to the kind of man that we need in the Service and that we want to retain — I believe we must conclude that, largely because of a lack of imaginative leadership, the condition has been imperfectly fulfilled. This is the more to be regretted, as the first condition — the obtaining of the right kind of man — has been successfully met. There can be no question of the superiority of the average man who has entered the Foreign Service since 1924 as compared with the average man who entered either the Diplomatic or Consular Service prior to that date. That is our most substantial achievement of the past eleven years, in spite of our failure to take full advantage of it.

What should we do to adjust the work of the Service to the newer type of Foreign Service officer? The question is of practical importance. This type of officer came into the Service when the interest in foreign affairs created by the period of the war and the Peace Conference was still in evidence and during the first flush of enthusiasm occasioned by the going into effect of the Act of 1924. The enthusiasm of those days has now largely abated. The isolationist point of view has reasserted itself and promises to be

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a factor of growing importance in the conduct of our foreign affairs; the new junior officers have been confronted with the not always inspiring example of superiors chosen according to less exacting standards — an inevitable yet discouraging experience, one furthermore which has sometimes been made even more discouraging by a tendency on the part of the authorities to be more zealous in protecting reputations built up in the past than in stimulating and guiding the enthusiasm of junior officers. Finally, while the economic crisis has tended to keep men in the Service who might otherwise have resigned, some of the activities of the New Deal have opened up at home alternative fields of activity tempting to the enterprising and imaginative. It is high time, therefore, for us to scrutinize the Foreign Service critically with a view to deciding what should be done for its improvement.

We have heard much about economizing in the Service during the past few years. Salaries and allowances have for a time been cut, personnel occasionally reduced and some real suffering caused to those least capable of bearing it. Curiously enough, however, the preliminary task essential to any sound program of economizing has never been undertaken nor, so far as I am aware, so much as considered. I refer to a survey of the work of the Foreign Service to find out just which aspects of it are giving useful results today and which may have been useful in the past but can now properly be discarded. That is my first suggestion for improving the Service. I do not mean a survey made by the first-comer, much less a survey made by somebody with a political background, but a careful study by a specialist who has no connection with either the Department of State or with the Foreign Service and who by training and experience is capable of passing upon organizations, administrative procedures and their operation. I am convinced that such a survey will show that an important part of the routine work either serves no useful purpose at the present time or can be handled in a more efficient and less time-consuming manner. If I am correct in this view, then the results of the survey should furnish a sound basis for handling personnel more effectively and economically and would release for more constructive tasks some efforts now wasted on matters of routine.

We must now face a fact that for eleven years we have endeavored to conceal. The work of the higher positions in the diplomatic branch differs from that of the average comparable positions in the consular branch. In the higher positions in the

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diplomatic branch the man tends to make the job, whereas in similar positions in the consular branch the job tends to be largely ready-made; or, to put the matter in another way, the diplomatic branch, as a rule, affords greater scope for individuality, initiative and imagination, and the consular branch for organizing and administrative ability. The fact that a man is a first-rate organizer and administrator does not necessarily mean that he will make a first-rate Ambassador any more than the possession in an outstanding degree of those qualities which make the successful Ambassador furnishes any guarantee of success in administering a large and complex consular office. Such differences of aptitude and therefore of function are recognized in other lines of work. Why should they not be recognized in the Foreign Service?

It should be unnecessary to add that in pointing out that diplomatic and consular work are different, I have no intention of passing upon the relative importance of either. Both are important; conspicuous success in either is entitled to recognition and honor; and it is a pity that since 1924 our principal consulates general have not been thought of as being at least on a basis of equality with even the smaller and less important of our legations. In this respect, we need a radical change of attitude. All branches of the Foreign Service are contributing in different ways to a common objective: adequate representation of the American point of view; efficient transaction of the business of the United States abroad; the facilitating of the legitimate tasks of its citizens.

The acceptance of the foregoing point of view would be made easier if, instead of administering the Service in terms of diplomatic and consular posts, we could evolve a classification of Foreign Service officers in terms of the kinds of work which today they actually perform. This is my second suggestion.

What kinds of work do Foreign Service officers perform? There is much administrative work, whether in practically all consulates or in the larger embassies. Let us therefore have an administrative section of the Service. A number of Foreign Service officers devote their time to problems of a financial or economic character and these problems promise to be of increasing importance. Let us put the financial and economic specialists together in their own section. In spite of our isolationist tendency, part of the activities of the Foreign Service may fairly be described as political, so let us have a political section, while recognizing that nowadays it is difficult, if not impossible, to

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establish any clear line between politics on the one hand and finance and economics on the other. There are men in the Service who are adept in gathering information and in putting it together in the form of reports. They are better qualified for such work than for negotiation or administration. Why not, therefore, establish a research section? The language officers specializing in the Far and Near East and in Eastern Europe are a group apart and should be organized in a section of their own. Other sections might be desirable. There might, for instance, be a technical section to include officials of departments of the Government doing business abroad other than the Department of State. I am not now concerned so much with the details of classification as with the desirability of a classification according to types of work; and this in the interest of fostering a new spirit among Foreign Service officers, of making possible a more accurate meeting of the needs of each particular diplomatic mission or consular office, and of bringing the Foreign Service in line with organizations, business or other, in which men of widely differing aptitudes and training are able to coöperate together. It is true that Foreign Service officers, however classified, would serve abroad as diplomatic or consular officers, but at home they would not be thought of as such but as individuals competent to perform certain types of work of which at any given moment there might be need either at a diplomatic mission or at a consular office.

At present we endeavor to select the men we require in the Service by a single examination, and as the years go by this examination has become more and more difficult. The tendency is to get more men of superior intellectual attainments than we have positions affording scope for such attainments. My third suggestion is that for entrance into the Service we should have a relatively simple and easy examination, written and oral, designed to test the candidate's personality and general education in the broadest sort of way. Let him then undergo a ten-year period of work in the Department and in both diplomatic and consular branches of the Service, at the end of which period he may, if he so wishes, present himself for a second examination which shall give equal weight to his record in the Service and to his ability to handle difficult examination questions on financial, economic, legal or political subjects. Those who fail in this second examination would not be excluded from the Service, but would be ineligible for the higher positions.

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Obviously, a Service chosen and classified as I have suggested will demand a high order of personnel work for its effective leadership and utilization. The view that anybody can do anything greatly simplifies personnel work, and the Jack-of-all-trades is the "white-haired boy" of the mediocre personnel officer. My fourth suggestion is that we get as far away as possible from that kind of personnel work and personnel officer. Our existing undemocratic system of Foreign Service personnel administration, reinforced by a certain narrowness inherited from the past, is adapted neither to the spirit of the times nor to our needs, present and future. We now have a Personnel Board consisting of three Assistant Secretaries of State, whose principal and most time-consuming duties lie outside the field of personnel administration and whose rôle can therefore be only supervisory in a broad and general sense. In point of fact the Service is administered by the Division of Foreign Service Personnel to which, under the Act of February 23, 1931, "no Foreign Service officer below Class I shall be assigned for duty." In practice, this last means one of three things: evading the law by various subterfuges, setting up an autocracy, or a quite disproportionate draft upon the highest class of the Foreign Service for personnel officers. When to this is added the fact that the law further provides that "Foreign Service officers assigned to the division shall not be eligible for recommendation by the Board of Foreign Service Personnel for promotion to the grade of Minister or Ambassador during the period of such assignment *or for three years thereafter*," the full disadvantages of the present system are apparent.

The Service is not composed of a group of school boys held in precarious check by the ferrule of a schoolmaster, nor of a company of recruits in charge of a drill sergeant. It is more and more coming to be made up of intelligent and reasonably well educated men who, in various ways and with different degrees of authority, are coöperating in work of common interest. The members of such an organization, quite properly, desire to play a part in its government. At present there are too many men in the Service — particularly younger men — who feel that it is wiser and more politic not to voice too many ideas. As a member of the Service once expressed it: "Do your job and don't think." That is the essence of the bureaucrat and the "yes man," and if he is to be found in the Service today it is because we have often put a premium upon acquiescence and have frowned upon an inde-

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pendent spirit and upon intellectual initiative. As a remedy for this state of affairs, and as a significant step towards a more democratic system of personnel administration, I believe that we should give to the Service a measure of real self-government. We used to have Boards of Review for both diplomatic and consular branches. They might well be revived, their powers extended, and one or more members be elected by the Service; or the authority of the Foreign Service Association, in which the elective principle is already recognized, might be extended and made more definite.

Four ways have been suggested for improving the Service. The list might be extended. Much might be said, for instance, about affording opportunities to Foreign Service officers to receive special training in the course of their careers, as is done in the army. A strong plea should be made for wider and more varied contacts with the outside world, a more determined and systematic attempt to escape from the tendencies towards the esoteric and the shut-in which have characterized the Foreign Services of most countries on far too many occasions and which in this day of chaos and transition are so especially dangerous and inexcusable. Above all, a great deal could be said of the need of leadership in the Foreign Service — a leadership which is dynamic, which stimulates and which points to opportunities for self-expression as well as to the more obvious duties.

But more than enough has been said to indicate the qualified answer which I believe must at the present time be given to the question of the utility of our trained and permanent Foreign Service. That utility, in the long run, must be measured, not in terms of the degree of organization of the Service nor of the number of Chiefs of Mission who have been promoted from its ranks, but in terms of the administration of the classified Service, of the men who compose it, and of the spirit with which they are animated. If the classified Service exemplifies narrowness and ultra-conservatism, the men which it will eventually put forward for appointment to the leading places in the Service will be of the bureaucratic type. Then if such men are appointed, and if (as seems probable, given the state of the world today) the tasks with which they are confronted are of the non-routine kind, the chances are that they will fail. If, on the other hand, the Service is administered along more progressive lines, some of which I have indicated, it will be able to hold its own with the best that can be produced from outside sources.

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CHINA DETHRONES SILVER

By H. B. Elliston

ON NOVEMBER 4 the world was startled by the news that China had abandoned the silver standard. But this step merely rendered *de jure* a condition which had existed in fact since October 15, 1934. It was to the connected measures [1] that foreign attention was principally drawn. Chief among them is the nationalization of the demonetized metal. If there is considerable question whether this can be carried out completely, it must be remembered that in China reforms do not bear the literal signification that they do in the West. Consequently it would be an error to look for the full execution of this decision. What, then, caused it? It is admittedly true that the American silver purchase policy helped economically to create the conditions calling for remedial measures. Nevertheless the view that Nanking's seizure of silver is to be explained solely as an answer to that policy may be only half true. The Nanking Government, in addition to its economic harassment, had been under political pressure from Japan. So the assumption of control over the principal Chinese bank reserves could be viewed with equal justice as a desperate move to bolster up the power of the Nanking Government vis-à-vis Japan. Evidently this fact, more than any alleged connivance by the British, is what has chagrined, not to say angered, the Japanese.

In a previous article [2] the writer showed that, in putting a ban on free silver exports on October 15, 1934, China had divorced the foreign value of its currency from silver. Henceforward Chinese currency fluctuated in foreign value independently of silver. Though China thus unlinked itself from the silver standard, nevertheless the metal was still allowed to circulate internally. That is to say, the country [3] could have been non-technically described as remaining on the silver standard *internally*, in that notes and metal were freely interconvertible. In this respect the act was different from the measures which the United States took in 1933 to sever the dollar from gold. In the latter case gold payments internally as well as externally were banned. One reason for the difference in action as between China and the United States was that China is a country using hard money, whereas the United States, for the great bulk of its payments, uses banknotes and bank checks. On November 4, however, the Nanking Government completed its imitation of the American example as to gold. It called in, or nationalized, the silver in circulation, as the United States did its gold, for sequestration in government vaults. China is thus formally

[1] Summarized in the London *Times* of November 4 as follows: (1) A new paper currency shall take the place of the ancient silver dollar. (2) The existing banknote issues shall be withdrawn and replaced by one single note issue. (3) This note issue will be the monopoly of a modern Central Bank. (4) The government-owned Central Bank will be reconstructed and converted into a modern Central Bank, which will be charged with maintaining the stability of the currency. (5) The new paper currency will be inconvertible. (6) The formal monopoly of the note issue will come into force in two years. (7) The Budget is to be balanced within 18 months. (8) All silver will be nationalized on much the same lines as gold has been nationalized in the United States.

[2] "Silver, East and West," FOREIGN AFFAIRS, July 1935.

[3] In certain parts of China, however, silver yuan (dollars) were already at a premium with convertible notes, so even this is not strictly correct.

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divorced from the silver standard internally as well as externally. The decree *nisi* has been made absolute, and to currency management there has been added more currency management.

Few more memorable steps have been taken in monetary history. Traditionally China and silver have been inseparable. In China the metal has hitherto occupied a three-tiered throne — as a standard of value, as a medium of exchange, and as a *store* of value. These uses for silver go back to time immemorial — back, indeed, to the dawn of China's contacts with ancient Europe. For very little silver is mined in China itself. Most of the silver in use before the advent of the modern trading era originated in the mines of ancient Greece and Spain. It entered China via the overland route in exchange for Chinese silks, teas, precious stones, ivory, and *objets d'art*. Alison, the historian of Rome, actually attributes Rome's fall to its loss of silver to the Orient. In the Middle Ages, too, as we read in Marco Polo, the trade was considerable. Columbus, who had read Marco Polo, discovered America accidentally in his quest for Cathay and its fabulous riches. He and his successors renewed Europe's store for China buying, the additional means being provided out of the mines of the New World. Silver formerly entered China in bullion form. When the sea route was opened up, and the modern trading era started, the metal began to reach China in coins. To this day one may find scattered throughout the country specimens of the old trade dollars in use by the early traders. Early America played a notable part in taking this contribution to China. The old clipper ships used to load up sometimes with nothing but "pieces of eight" for the run around the Cape of Good Hope.

All told, the "hoards" accumulated down the ages amount at present to about one and three-quarter billion ounces.[4] In itself this store has been an important factor in the silver market. To the market, however, China's real importance has lain in its use of silver as its currency standard. Being the last country of any importance to keep its money on a silver basis, it was the marginal buyer and its requirements dominated the price of the white metal.

Nationalization has been justified by the failure of the controls set up in 1934. The effect of the severance of the tie between the foreign value of Chinese currency and soaring silver was that silver commanded a better price outside than inside China. Something had to be done to close the gap lest the silver still left circulating in China should flow out in search of profits. Consequently an export tax was united to a so-called equalization fee intended to rise or fall with this outside price so as to equalize the two prices. This was on October 15, 1934. Four days later an exchange stabilization committee was set up. Its establishment marked the decision of the Chinese Government to control the exchange market through intervention, *i.e.*, through buying or selling exchange. To this end, the authorities secured directorial control over the three leading Chinese banks and obtained a "gentleman's agreement" from the important local foreign banks pledging coöperation. Thus China appeared to be equipped to "manage" or "regulate" the foreign value of its currency, which had hitherto been left to the vagaries of the silver market. Government-bank coöperation

[4] Estimates of Chinese silver resources vary widely. The latest is by J. A. Yavensky, in *Finance and Commerce* (Shanghai), October 9, 1935. He puts the total at 1,275,000,000 ounces. Mr. Yavensky's estimate before American silver purchases started was 1,500,000,000 ounces.

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subsequently allowed for relaxation in the strict "equalization" of the imposts.

The smugglers, however, could not be controlled. Though a death penalty for smugglers was subsequently added to the armory of stabilization, nevertheless silver continued to leak out of China. Smuggling in China is an art superior even to the efficiency of the foreign-officered Chinese Maritime Customs Service. Officially, the country since October 1934 has parted with a minor quantity of metal. But the illicit traffic has been considerable. How much has escaped through the adjacent territories of Hongkong and Japan is not known. Imports into the United States, however, afford some clue. In the nine months ended with September 1935 the total receipts amounted to $197,965,000, as compared with a *yearly* world production, at current prices, of around $120,000,000. Most of it came from the great silver market, London. No data are available as to ultimate sources. But for just the month of September, Japan alone reported exports to London of 20,793,000 yen worth of silver. Now the total annual output in Japan is only about 8,000,000 yen and the country had no stocks on hand. Obviously most of the exports came from China.

This continued exodus of silver has intensified deflation in China. In the article already referred to, the writer gave the details of past losses and of the dimensions of the consequent deflation. Between January and September of 1935 the commodity price index in Shanghai fell further from 110.9 percent of the 1926 level to 105.4. It stood at 118.1 in October 1934. Money remained tight, business stagnant, bankruptcies frequent, and several banks closed their doors. Foreign trade continued to decline. In September 1935, as compared with September a year ago, American sales to Great Britain, Canada, Germany, Italy, Australia, the Argentine, Chile, Cuba, Egypt, Greece, Ireland, Mexico, Norway, Portugal, Switzerland, Turkey and Spain increased. To China, however, they fell from $3,971,000 to $2,462,000, the arguments and statements of the "silver Senators" to the contrary notwithstanding.[5] Rumors of inflation hung over the markets, causing a lively flight into foreign currencies and gold bars, and there was a recession in the outside price of silver.

All these circumstances militated against any kind of management of the external value of the yuan adumbrated by the decrees of October 15, 1934. Chinese exchange was then 34 cents. It rose to 41 cents in May, and on the day before the nationalization order was quoted at 30½ cents. The major part of the fall occurred in October in anticipation of the suspension of the silver standard, the drop in the last two weeks of the month being 20 percent. Such extreme fluctuations, so disruptive of any stability in the import-export business, encouraged the Nanking Government to take the bold course of nationalizing silver.

[5] Compare Senator Key Pittman's speech in the Senate, April 11, 1935: "The myth [of the hurt to China and Chinese trade] is gone. It is dispelled. The predictions are untrue. The statistics with regard to the rise of silver throughout the world, the buying of silver by governments, the buying of silver everywhere, show that silver is a precious metal, that silver is scarce, and that silver must be had for monetary purposes throughout the world. The statement that we are ruining China is perfectly absurd." (*Cong. Rec.*, p. 5608.) The Tobacco Association of the United States, noting the decline in the tobacco trade with China as contrary to the expectation of its exporter members, now brands the Act as not only "against our interests, but destructive of goodwill in China toward the United States."

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Is it possible for the state in China to seize the circulating silver? The writer has been dubious. Just before the decrees, Eduard Kann, financial adviser to the Chinese government, writing in *Eastern Exchanges*, a technical service published in Vienna, said: "The adoption of a so-called managed currency offers not only great difficulties in a country where the population has for centuries been accustomed to the handling of hard money, but is liable to bring about open rebellion." It is not in the nature of things that the Nanking Government can commandeer all China's one to two billion ounces. The fact that it could not prevent wholesale smuggling is itself proof of disability in this respect.

It is far easier to stop at the frontiers a relative handful of smugglers in actual possession of metal than to impound the metallic possessions of 400,000,000 people. One reads without astonishment, then, of the refusal of North China bankers to part with the metal, of the Japanese promise to protect those who refuse, and the Nanking Government's bland reply that the metal would be considered seized in those northern vaults! Silver, moreover, is as esteemed by private persons as government is disesteemed. China's regard for silver is not so æsthetic as the Hindu's. It is more realistic. In the turmoil in which some portion or other of China has always been engulfed, silver is rated an incomparable store for savings. Consequently people in China are not likely to stand in queues with their silver, as so many people did with gold in the United States and England, when those countries took steps similar to those now taken by China. Even the private Chinese who sold willingly to smugglers in return for convertible currency will be very chary about selling for the new democratic inconvertible currency.

Nevertheless, the Government should be able to collect a sizable hoard. In Shanghai alone the bank stocks on November 1 amounted to 326,540,000 yuan, or about 250,000,000 ounces. These are mostly held by Chinese banks. They will be subject to seizure, and, as private Chinese are forced to draw upon their silver reserves for buying purposes, the flow to Nanking may be continuous. With this stock the Government will have some funds for "managing" the yuan on the foreign exchange market. In addition, it controls some balances abroad, and will gradually be able to count upon resumption of remittances from Chinese overseas, the flow of whose money back to China has been interrupted by the depression and by the uncertainties attaching to the exchange.

The "management" will be directed, it is reported, to the maintenance of the present exchange rate with the pound and the dollar. For many months past these units have been more or less on stable terms. If a break should occur, there appears no question in experts' minds that the Chinese yuan would follow the pound sterling, as the Japanese yen has done these three years past. Given the present promise of pound-dollar stability, given also a responsible fiscal policy in China, there are grounds for thinking that there is enough basic strength in China's international economic situation to prevent depreciation in coming months below the present rate of 30 cents to the yuan. Some measure of exchange stability after so much fluctuation should encourage a capital flow to China. And on the basis of the present depreciation it should also stimulate China's exports to a reviving world which is in need of them.

The new Chinese policy is thus a complete *volte face*. A year of trying to block

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exports of silver proved fruitless. So the Government has decided to take charge of the leak officially, and, instead of interposing obstacles in the fulfillment of the American Silver Purchase Act of June 1934, will henceforward turn itself into an official source of supply. Thus some of the profits on sales will go to the Government instead of smugglers. It is as if Nanking had said to Washington, "If you insist on paying a fancy price for silver, then, instead of resisting it, we might as well take advantage of it."

Dr. H. H. Kung, Chinese Minister of Finance, does not put the policy exactly in this way. In his zeal to copy the American example as to gold he has copied the curious explanations at one time current about the divorce of the dollar from metal. He says: "The new monetary policy means neither suspension of banknote convertibility nor abandonment of the silver standard for the currency. It is, rather, a suspension of the circulation of silver currency in the market." [6] Silver, of course, will now be in the government vaults, but this is much different from making that silver a standard for currency. By *standard* is meant the free and unlimited convertibility of currency into metal and *vice versa* at a fixed price. This is not now the case in China either at home or across the foreign exchanges. Under the nationalization order, the silver clause in contracts has been abrogated and paper money made unlimited legal tender for those debts as well as for current payments. Thus the fact that the government has unobtainable silver in vaults is no more significant to an average Chinese than if it had feathers or any other useful commodity in them. As for "convertibility," this has a technical significance in relation to metal. All that the Chinese yuan can now be converted into is either goods and satisfactions at home, or foreign exchange. Dr. Kung's reference to "convertibility," therefore, is just like saying that Chinese money from now on will buy *something!*

This Chinese dethronement of silver has been in the making ever since the passing of the American Silver Purchase Act. That measure gave the American Executive such enormous buying powers that the United States has become the decisive influence in the silver market. It also gave the Executive control over the Chinese currency because that currency was linked to silver. At that time the Chinese were already chafing under Japan's assumption of political hegemony. The silver law gave China another master — in the vital sphere of currency. Undoubtedly it has made China more compliant to Japan. No one can doubt that the silver policy has hurt China. At the same time, the Chinese would have been in trouble economically (as this writer in his previous article has already explained) even if there had been no American silver policy. To this extent the policy has been extremely useful politically to Nanking in that it has given the Government the excuse — the foreign foe argument — to extend its power over Chinese bank reserves and Chinese banks.

Many circumstances surrounding the decisions are lost in the Chinese confusion. Some of this confusion is due to the presence in China of Sir Frederick Leith-Ross, Chief Economic Adviser to the British Government. As announced, Sir Frederick's visit was merely exploratory. Apparently it was decided upon only after a British proposal for an international mission had failed to win the support of either Washington or Tokyo. Still, Secretary Hull, at his press conference on June 28, issued what was described at the time as "an open

[6] New York *Herald Tribune*, Nov. 7, 1935.

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invitation" to Sir Frederick to stop off at Washington on his way to the Orient. Sir Frederick, however, chose to go through Canada. In an interview given in Montreal, he said: "There were newspaper stories to the effect that I would go to Washington, but I wasn't officially invited, and my government is not in the habit of sending representatives to places without a formal invitation."[7] In Japan, where the British emissary stopped over, he apparently had a chilly reception. The *Nichi Nichi* said: "To do anything important in China without Japanese understanding will be hopeless to attempt for Great Britain, because this will be attended by great risk and uncertainty." To add to his troubles, Sir Frederick found himself the object of Japanese anger when China issued the November 4 decrees. Japanese commentators jumped to the conclusion that Japan had been outwitted and that the move was engineered by Sir Frederick on the promise of a British exchange loan.

Army officials in Japan saw in the decrees their worst suspicions confirmed. For some time they had been taking issue with the Japanese diplomats over the right way in which to win complete hegemony in China. The diplomats had been pleading for a "negative" policy of negotiating with General Chiang Kai-shek in Nanking. Army spokesmen questioned the General's "good faith." The unexpectedness of the monetary reforms, together with the suspicion that Britain had stolen a march on Japan in influencing the Nanking Government, came as powerful support of the army point of view. For the moment the diplomats in their chagrin seemed to be half ready to agree with the Army that the time had arrived to pursue their old plan of detaching North China from Nanking under cover of an autonomy movement.

In regard to the Chinese currency, the British have avowedly never discussed a British loan, which would violate the Consortium agreement of 1920. According to Sir Frederick Leith-Ross, they are however sympathetic with the proposal for an international loan. They contend that China's desertion of the silver standard is in conformity with so many foreign suggestions in the past that on more than one occasion the country has been promised a loan as the reward for such reform. The last recommendation was the Kemmerer report of 1929.

To the United States the Chinese reform would formerly have been as welcome as to other nations. The opinion today is all wrapped up in domestic silver politics. In this connection the main effect of the monetary measures in China is that the country which for so long has been silver's major prop, buying in the fourteen years before 1931 about 30 percent of the current world production, has resigned the worrying about silver to the United States Treasury. The aim of the American silver policy was a more extensive use of silver as a monetary metal. The result is progressive demonetization and debasement.

[7] *Christian Science Monitor*, August 28, 1935.

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THE PEOPLES OF ETHIOPIA

By Robert Gale Woolbert

CARLO CONTI-ROSSINI, the greatest living authority on Ethiopian culture and history, has described Ethiopia as a "museum of peoples." For thousands of years diverse peoples have beaten against the ramparts of the Ethiopian highland. Some have passed on, but others have remained to form the ethnographic mosaic that is the empire of Haile Selassie.

There are numerous difficulties confronting us when we attempt to classify these peoples. In the first place our information is very meagre. There are large areas in Ethiopia where trained anthropologists have never penetrated. The little that they know has led them to disagree among themselves. The layman can consequently be forgiven for being bewildered. Another complication is the fact that some of the peoples are still on the move. This factor, added to the existing high degree of racial and tribal intermixture, only makes confusion worse confounded.

Nevertheless, in spite of these very grave handicaps, it is possible to draw up a rough classification of the peoples of Ethiopia. In doing so care must be taken not to place much reliance on racial distinctions. Race is wholly a physical concept. One's race is determined by the color of the skin, the shape of the nose and lips, the flatness of the hair, the cephalic index, etc. Race has no necessary connection with cultural or geographical or political phenomena.

Racially the Ethiopians are a mixture of white and black, with the emphasis distinctly on the former. True, some students maintain that there is such a thing as an Ethiopian race inhabiting most of Africa east of the Nile between Upper Egypt and Tanganyika. Others hold that there is a Hamitic race to which belong most of the inhabitants of north and northeast Africa. The existence of any such race is denied by most anthropologists. There is, however, a Hamitic group of languages, of which more will be said shortly. This confusion of race with language is one of the commonest errors into which pseudo-scientists can fall. The Nazi notion that there is an Aryan race is a case in point.

Language forms the most convenient criterion for the classification of peoples, whether civilized or not. Of course, language does not tell the whole story, but since it is the basic cohesive force in tribal and national cultures, it can safely be adopted as the best indication of those divisions which the people themselves recognize as paramount. Geographical, historical, political and religious factors modify but do not destroy the usefulness of this general rule.

The Hamitic languages once prevailed throughout north and northeast Africa. Within historic times, however, successive waves of Semitic-speaking peoples have swept over these regions until the Hamitic languages have become largely submerged. This process has not gone as far in northeast as in north Africa. In Ethiopia, for instance, the majority of the population still speaks a Hamitic tongue. Even the Semitic language of the Christian ruling people on the central plateau, whom for purposes of convenience we shall call the Abyssinians, contains many Hamitic elements.

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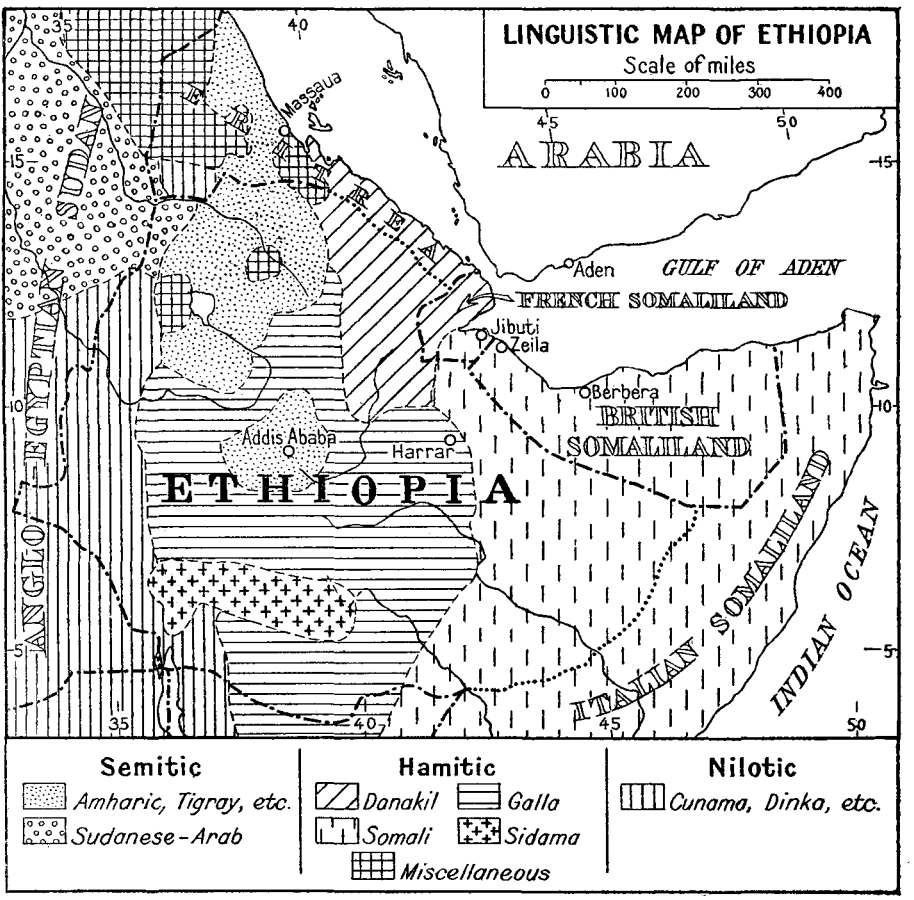
Though estimates concerning the population of Ethiopia are notoriously unreliable, it is probable that about one-third of the empire speaks a Semitic language. With the exception of the Sudanese-Arabic prevailing in a small area at the northwestern corner of the country, the Semitic languages of Ethiopia are descendants of the ancient Ge'ez. Ge'ez has not been spoken for a thousand years but, like Latin, it is retained as the language of the church, in this case the Ethiopian Coptic.

From the Ge'ez have descended the modern Tigré, Tigray and Amharic.



Amharic is the official language of Ethiopia. In its alphabet there are thirty-seven consonants. With four exceptions each of these has seven forms, depending upon which vowel sound follows it. There are in all two hundred and fifty-one different characters in the language. There have been efforts in recent years to found a modern Amharic literature, but with disappointing results. The great mass of the Abyssinians are completely illiterate, and in addition to the government officials the only class capable of reading is the clergy, whose interests are largely confined to the liturgical texts in the ancient Ge'ez. The use

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of Amharic, due to its official position, is becoming increasingly widespread.

In Ethiopia north of the Takkaze River and Lake Ashanghi (in other words, in the province of Tigré) and in south-central Eritrea, Tigray, another offspring of Ge'ez, is spoken. This linguistic difference between the province of Tigré and the rest of Christian Ethiopia only accentuates the lack of harmony between the two. The Tigreans feel that they and not the Amharas or the Shoans should rule the empire. Is not Aksum, the ancient capital and holy city of Ethiopia, in Tigré?

In northeastern Eritrea and in the Dahlak Islands the natives speak another derivation of Ge'ez, Tigré (not to be confused with the name of the province of Tigré). Like Tigray it is without a written literature. As one would expect, it shows many Arabic influences. However, unlike those who speak Tigray and Amharic, those who speak Tigré are largely Mohammedanized.

So much for the Semitic languages. Let us now turn to those belonging to the Hamitic group, taking up first the Danakil. There are perhaps not more than 100,000 Danakil. In spite of their small number they are important, for they occupy the inferno in northeastern Ethiopia and southeastern Eritrea known as the Danakil Depression. This area is one of the most inhospitable on earth. It is a mass of sand, boulders, and lava. There is practically no vegetation except along the banks of the Hawash River, which never reaches the sea, but disappears into the desert behind Assab. The Danakil live a very precarious and primitive existence. Their main livelihood is the pasture of a few heat-resistant animals, and robbery. This latter profession they practise at the expense of each other as well as of other peoples. The Danakil recognize no central overlord, but are divided into several tribes or sultanates of which that of Aussa is the most important. The predatory activities of the Danakil are the result not only of their ungrateful environment but of the hostile behavior of surrounding peoples, for they have long been the object of slave raids by Abyssinians from the plateau. The principal protection of the Danakil has been their capacity to live under environmental conditions such as no highland dweller could possibly withstand.

The Danakil are Mohammedans and consequently have an additional reason for hating the Abyssinians. Menelik established a shadowy suzerainty over the Aussa sultanate in the last part of the nineteenth century. Since there is no love lost between the Abyssinians and the Danakil, it is not surprising that some of the latter have fought for the Italians.

Due to their proximity to Arabia, the language and culture of the Danakil show many traces of Arabian influence. The same may be said for the numerous tribes speaking Somali who inhabit the Horn of Africa. These people present distinct physical characteristics. That the Somali culture in many respects resembles that of the southern Arabs is natural, inasmuch as they inhabit a country not unlike southern Arabia and since their contact with southern Arabia has been long and close. The numerous Somali tribes are split up arbitrarily among four empires: British, French, Italian and Ethiopian. In all they probably number two million souls. The Somali are on the whole nomadic but are not as primitive and savage as the Danakil, though they are great fighters — as the Mad Mullah for many years demonstrated in his war on both Italy and Britain. The territory they inhabit lends itself to pasturage and occa-

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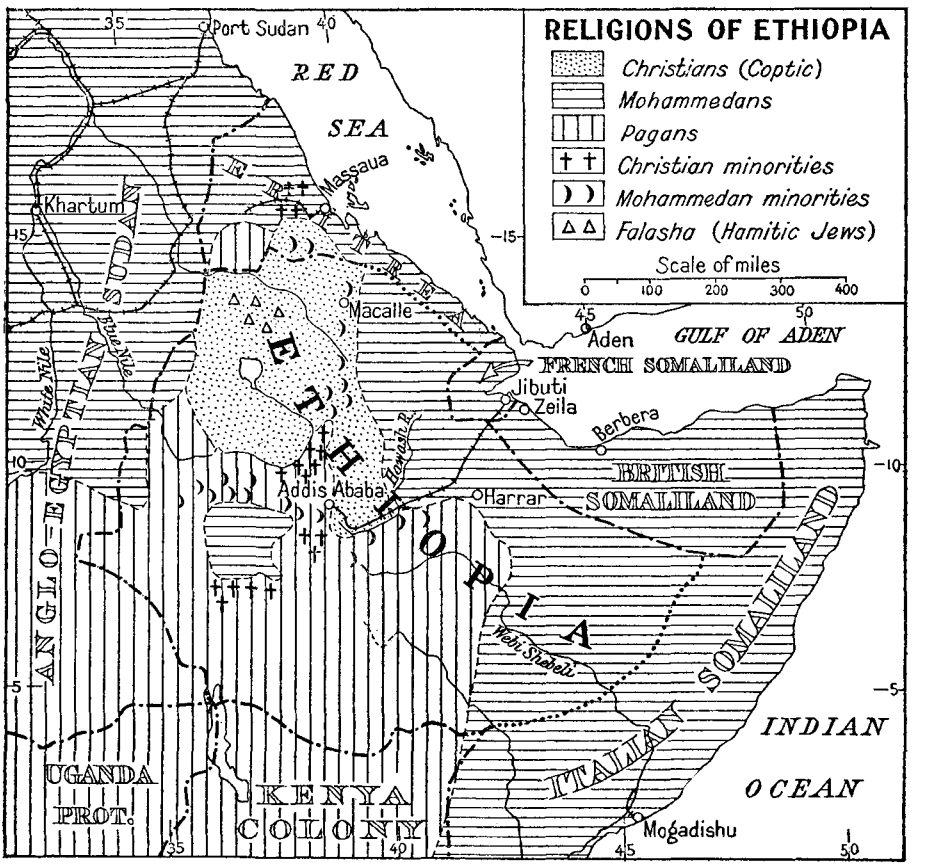
sionally to the cultivation of cereals, though community life and commerce are not unknown. The Somali are all Mohammedans.

The most numerous Hamitic-speaking people are the Gallas. As will be seen from the first map, the Gallas live in central and south-central Ethiopia. In general they are brown skinned, with wavy (not woolly) hair, and fine noses. Some of them have assumed certain negroid physical characteristics as a result of contact with negro tribes to the south and southwest. Galla social and cul-



tural evolution has reached a higher stage than that of the Somali. The regions inhabited by the Gallas are on the whole fertile and well watered, and are well suited for the raising of cattle and horses and for primitive agriculture.

The Gallas are famous horsemen. Beginning in the sixteenth century their cavalry made repeated incursions into the central highland until it appeared that they might completely overwhelm Christian Abyssinia. The Amharic-speaking people eventually succeeded in preserving their political independence, though culturally and physically the Gallas made heavy gains in the southern part of the central plateau. The Galla language now extends well into

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the heart of the Abyssinian highland. It has, in fact, reached so far north that it has completely isolated the Amharic-speaking Shoans from the main body of the Abyssinians to the north. Even in Shoa, the political centre of the empire since the time of Menelik, the Galla language is spoken by a large part of the population. The imperial administration and the army have thus come to contain important Galla elements which, though perhaps speaking Amharic in public, nevertheless use Galla among themselves. There has been a tendency among the northern Gallas to adopt Christianity at least superficially. Others have embraced Islam. Most of them, above all those in the south, still adhere to their pagan cults. This lack of religious unity serves to emphasize the great diversity which obtains between the numerous Galla tribes, making generalizations about them as a whole unsafe.

Among the less important Hamitic languages spoken in Ethiopia should be mentioned Sidama and Agau. Sidama is spoken by several primitive tribes in southwest Ethiopia where they have naturally been much influenced by the Negroes. There are about a quarter million persons who speak Sidama.

The reader will notice on the map that there are two islands of Hamitic speech in northern Ethiopia. This is all that remains of the Agau language which prevailed throughout Ethiopia before it was submerged by a Semitic invasion from the north and east. Other remnants of the ancient Hamitic languages may be found in Eritrea, such as Saho, Beja, etc.

This concludes our survey of the languages of Ethiopia except for those used by the Nilotic group along the western frontier. These negroid peoples in every respect except politically belong to the upper Sudan. The Abyssinian ruling class has never taken any interest in these lowland dwellers other than to hunt slaves among them. Of all the groups in the Ethiopian empire they have probably been the least assimilated. With few exceptions they are pagans.

We have not covered all the languages spoken in Ethiopia; some of them have as yet received little scientific study and can not be definitely classified.

Enough has been said, however, to show that though Ethiopia is an empire she is not a nation. This, of course, is the distinction upon which Mussolini bases his Ethiopian claims. He frankly proposes to supplant Ethiopian imperialism in the non-Amharic parts of Ethiopia with Italian imperialism. The Abyssinian ruling class, he declares, has plainly demonstrated its incapacity to govern its subject peoples in an enlightened manner. It therefore becomes not only Italy's right but her duty to civilize these "backward areas".

It must be admitted that no such thing as an Ethiopian national sentiment pervades the congeries of peoples inhabiting Haile Selassie's empire. A vigorous nationalism can exist only where there is a common cultural tradition. But how can there be an Ethiopian cultural tradition common to illiterate peoples using diverse languages, only a few of which have been reduced to writing, and in none of which is there a written literature worthy of the name? Nor is there in Ethiopia the cohesive force of a common religion. It is dubious whether even a successful war waged against a common foe would do much toward knitting the empire together spiritually.

Consequently we can assume that the non-Amharic parts of Ethiopia must long remain subject to imperialist exploitation, be it Abyssinian or Italian.

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FOREIGN TREATMENT OF AMERICAN CREDITORS

By William O. Scroggs

FORTY-THREE governments have borrowed money in the United States through public offerings of dollar bonds in the New York market. The amount of their issues now outstanding is, in round numbers, three billion dollars. Political subdivisions of 26 foreign governments — that is, states, provinces, departments and municipalities — have also offered nearly two billions in dollar bonds in the United States, and private foreign corporations have floated another three billions. These are the estimates made by the Institute of International Finance, and they show that total outstanding issues of foreign dollar bonds amount, in round numbers, to eight billion dollars. This sum is exclusive of the war debts owed to the United States government, which with principal and unpaid interest now amount to approximately twelve billions.

All the war debts, except the small amount owed by Finland, are now in default; but for the time being these obligations have ceased to be a pressing diplomatic problem. The repeated exchange of notes between the United States and the leading war debtors has led to an impasse, and both sides are now disposed to hold the matter in abeyance until a more propitious season. In the meantime, the dollar bonds of twenty foreign national governments are wholly or partly in default, and these defaults are probably having more effect today on the foreign relations of the United States than the 99.9 percent default of the war debtors.

Ordinarily, the United States Government does not undertake to obtain through diplomatic channels the payment of claims which its citizens may have against debtors in foreign countries. Foreign loans are made at the lender's risk. The government assumes no responsibility for them, but it will endeavor to protect its citizens against unfair treatment and especially against discrimination by the foreign debtor in favor of creditors in other countries.

American holders of foreign dollar bonds have met with a variety of treatment from debtor governments since 1931. For convenience, the debtors may be grouped into four classes.

1. In the first group are the governments which have lived up to the literal terms of their contracts, including the so-called gold clause, and have maintained service on their dollar bonds by paying the equivalent of gold dollars of the former parity. They have refused to take advantage of the permissible repudiation of the gold clause, and they continue to pay on the basis of United States gold coin of the standard weight and fineness existing when the securities were issued. This has resulted in their paying slightly more than $1.69 in devalued dollars for every gold dollar called for in the bond.

The governments of France and Switzerland have met their dollar obligations in this way, and so have the French cities of Bordeaux, Lyons, Marseilles and Soissons. The bonds of the three cities first-named reached their maturity date on November 1, 1934, and American holders received payment of the

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principal at the rate of nearly $1,700 in present money for each $1,000 bond. Two French railway companies — the Nord and the Paris-Orleans — have dollar bonds outstanding on which they also have made payments on a gold basis. The Netherlands government has floated no dollar loans, but its East Indies colony paid in gold on its dollar bonds until these were recently converted into a new issue payable in guilders.

If the lines are not drawn too sharply, the government of Belgium may be included in the first group, although its treatment of dollar creditors has been less liberal than of its former associates in the European gold bloc. On April 30, 1933, shortly after the United States went off the gold standard, the Belgian Government announced that payments on dollar bonds presented for stamping at the central bank in Brussels by May 4 would be made on the usual gold basis. But since it was impossible for American bondholders to deliver their securities to the Brussels bank on four days' notice, they were unable to take advantage of this privilege, while European holders of these securities were able to do so. Interest on the unstamped bonds is paid in devalued dollars. At first sight this practice looks like discrimination against American lenders. Yet, as the United States Supreme Court recently pointed out in the gold-clause cases, American investors have not suffered a loss from payments in dollars of the new parity, and payment in dollars of the former standard would mean their "unjustified enrichment." On the other hand, European holders of Belgian dollar bonds would incur a substantial loss if they were paid in devalued dollars. Through its stamping arrangement the Belgian Government was apparently undertaking to accord equal treatment to both European and American investors. But even if there were some discrimination against Americans, the United States would have no ground for complaint, since Belgium is giving American bondholders the same treatment accorded them by their own government.

2. In the next group are nineteen governments[1] which are maintaining full interest payments on their dollar obligations, but in American currency of the new parity. They are legally entitled to follow this procedure, which in effect reduces the burden of their debts by about 30 percent. When the British Government announced its decision to pay the interest on its dollar bonds in devalued United States currency, it justified its action on the ground that the obligation to pay in standard gold dollars had been removed through the American Government's "alteration of the law of the land," and that payment could be made only in the new legal tender currency. The inadequacy of this explanation was promptly pointed out by a number of British financial writers. The London *Economist*, for example, remarked that the government was "departing from the clear intent of its bond" and that in consequence the outlook for financial reconstruction "based upon the sanctity of contract is indeed gloomy." The British Government, however, did not go the whole way in repudiating its gold-clause obligations. Through a refunding plan it offered something more than the new 60-cent dollars to those who would exchange their dollar bonds for a new issue payable in sterling. In actual practice, there-

[1] Argentina, Austria, Australia, Canada, Czechoslovakia, Free City of Danzig, Denmark, Dominican Republic, Estonia, Finland, Great Britain, Haiti, Irish Free State, Italy, Japan, Newfoundland, Norway, Poland and Sweden.

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fore, Great Britain has dealt more liberally with her American creditors than has Belgium, but less liberally than have France, Switzerland and the Netherlands East Indies.

3. The third group consists of twelve governments [2] which at this time are making only partial payments on their dollar obligations. In some cases payment on any coupon date varies with the amount of foreign exchange available for debt service; in others full payment is set aside in local currency which cannot be transferred to the United States because of exchange control. In these latter instances the coupons can sometimes be sold in the American market, though usually at a heavy discount, and the net result is a partial payment in dollars. In a few cases payment has been tendered in new funding bonds bearing a low rate of interest.

Germany is the most important of the debtor governments making partial payment on dollar bonds. Her case is peculiar in that she is deliberately discriminating against American creditors on the ground that certain other creditor countries are entitled to favored treatment, since they have made it possible for her to pay them by giving her special trade concessions. Germany's treatment of American bondholders has evoked strong protests from Washington without as yet producing any material modification of her policy. On June 27, 1934, the Department of State sent a most caustic note to Berlin with regard to this matter; but when the next instalment on the Dawes Plan loan became due, all the countries in which this loan was floated *except the United States* received full payment. The American bondholders received one-half of the payment in dollars and the other half in blocked reichsmarks worth only about 50 cents on the dollar in the American market. When the next payment became due in April 1935, the American bondholders were paid only in reichsmarks. On October 15, 1935, they were paid in dollars, but at the rate of 5 percent instead of the stipulated coupon rate of 7 percent.

4. Finally, there are eight governments which at this time are making no payments on their dollar bonds. Three of these governments — China, Mexico and Russia — have been in default over a long period of years. The Mexican default occurred in 1914, the Russian in 1919, and the Chinese in 1921. Three governments — Bolivia, Chile and Peru — have been in default since 1931, and two others — Colombia and El Salvador — have been making partial payments for about three years, but suspended payment in 1935.

The number of complete and prolonged defaults is surprisingly small and it does not substantiate the widespread impression that most foreign bonds are practically worthless. In fact, full service was maintained throughout the depression on 64 percent of the dollar bonds of foreign governments; partial service was maintained on 21 percent, and on only 15 percent was payment completely suspended. For the dollar debts of political subdivisions, and especially for debts owed by foreign private corporations, the showing is not quite so good. Yet it may be well to bear in mind that the bonds of many American municipalities and business corporations have also not been immune to defaults since the onset of the depression.

[2] Brazil, Bulgaria, Costa Rica, Cuba, Germany, Greece, Guatemala, Hungary, Jugoslavia, Panama, Rumania and Uruguay. Colombia and El Salvador have made partial payments in previous years, but suspended debt service during 1935.

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THE "MIRACLE" OF GERMAN RECOVERY

By George M. Katona

BOTH in Germany and outside there are many who find justification for the Hitler régime in the extensive rise of German industrial production and even more in the considerable decline in unemployment which has taken place in the last three years. Official German statements refer to an "economic miracle" and they attribute it to the daring spirit of the Nazi leaders who did not hesitate to violate the principles of orthodox finance. The economic upswing in Germany was most conspicuous in the first two years of the Nazi régime; but in 1935 the high rate of production was maintained, chiefly due to rearmament. However, a high price had to be paid for the beneficial effects of the work promotion program: First, rising imports and falling exports, which in turn led to the loss of nearly the entire German gold reserves, thus necessitating severe import restrictions and resort to substitutes. Second, a considerable expansion of the credit volume, offsetting entirely the deflation process of the previous depression years.

A year ago there was no way of evaluating the inflation in Germany and the writer then had to conclude that it was impossible to say where was the danger zone of the Reichsbank policy[1]. At that time, it was the scarcity of foreign raw materials which seemed the most harassing outcome of the artificial recovery. In the meantime, by restricting the consumption of the thoroughly disciplined German people, the German Government has been able to avert the danger of an immediate economic collapse as a result of a shortage of raw materials and food. What in fact became more pressing was the problem of creating the means to finance public works and rearmament through the same inflationist credit policy again and again. This problem of an economic *perpetuum mobile* is the paramount problem in Germany today.

Credit inflation has, of course, not been the only basis of recovery. During the last three years public works have been financed to the extent of at least three billion marks by ordinary budget means, that is, through taxation, and through more or less compulsory long-term loans. Moreover, Germany's foreign creditors have also contributed to the financing of public works, because the maturing interest has been held at home by means of a transfer moratorium. There is no way of telling whether the amount of the present Reich debt is already beyond the limit of what is economically bearable. We are concerned here with that greater part of recovery which has been promoted by inflation, that is, by short-term government certificates and bills sold to the Reichsbank and other credit agencies.

Even a few months ago it was impossible to estimate the German Government's floating indebtedness accurately. But the estimates of foreign newspapermen which placed the secret Reich debts at from 20 to 30 billions broke the silence of Nazi officials and of German statistical agencies. To refute the

[1] This writer outlined the scope of German recovery up to the fall of 1934 in an article "How Real Is the German Recovery?" in FOREIGN AFFAIRS, October 1934.

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foreign estimates they at last revealed certain enlightening data. In two lucid articles, the *Oesterreichischer Volkswirt* (*Austrian Economist*)[2] recently undertook the task of summing up the evidence to be gleaned from the German official publications in order to arrive at an exact total of Germany's floating debt. The figures, be it noted, represent minimum estimates, since obviously Nazi agencies would never publish data *less* favorable than justified by the actual situation. Calculations based on stamp tax collections on commercial bills, as recently published in Germany, indicate a considerably higher total debt. Although the official German explanation given for this divergency is only partly convincing, I omit estimates derived from tax collections and follow those supplied by the Vienna periodical.

The recorded floating domestic debt of the Reich in July 1935 amounted to 2,837 million marks. In addition there were in circulation 1,974 millions of 4 and 4½ percent Treasury certificates maturing within four years, and 913 million "advance tax certificates" (official figures). However, the major part of the 1934 public works program and of the 1935 rearmament program was not financed directly by the Reich; it was private business enterprises which drew "employment creation bills" and "special bills," respectively, on their banks. These bills are not recorded in the government statements, because "they have not as yet been presented for redemption." The ultimate obligation of the Reich to pay is, however, acknowledged by the orders placed with private companies for steel, machinery, arms, etc. The amount of "employment creation bills," 2,143 million marks, circulating in July 1935, recently came to the surface through a government announcement showing the consolidation of some of those bills by a new long-term loan. The amount of "special bills," on the other hand, can be computed from the recent increase in the total amount of "commercial bills" in circulation. Thus we arrive at the following table (figures in millions of marks):

	February 1933[a]	*December 31, 1934*	*June 30, 1935*
Short-term Government debt	1,987	4,760	5,725
Employment creation bills	0	2,600	2,143
Special bills (approximately)	0	700	3,000
To be deducted due to duplications[b]	300	1,350	1,380
Total	1,700	6,700	9,500

[a] Beginning of Nazi rule.
[b] A part of the Treasury certificates was issued to guarantee the payment of Government bills.

In spite of various recent long-term loans and the redemption of advance tax certificates from tax receipts, the floating debt of the Reich, maturing during the next five years, rose to 9½ billions. It has increased by 7,800 million since Hitler came to power (by 2,800 million in the first half of 1935). The 1935 increase in the floating debt has been at the rate of almost 600 million marks a month.

Germany is now in her third year of recovery. Yet private savings are still so low that they absorb only a very small part of the government's financial

[2] September 21 and October 12, 1935.

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requirements. Moreover, recovery in Germany is restricted to the field of public contracts and purchases. Government orders in 1935 accounted for two-thirds of the German steel and machinery consumption, and of construction. In spite of the huge public spending there are scarcely any natural economic forces at work to promote recovery.

With these facts in mind, one comes to the conclusion that German credit expansion has now definitely entered the danger zone and that German financial policy is therefore now confronted with the necessity of making a most momentous decision. Certain German economic publications emphasize the task at hand and imply the necessity of refunding the short-term indebtedness. But that is not the main problem of today. Let us assume that in the next five years the Nazi régime is able to consolidate and retire maturities of 2 billions a year. Such an achievement would require drastic economies on the part of the government and on the part of every German citizen, for growth of capital is extremely slow as a result of low salaries and wages and the appropriation of most industrial profits for export subsidies. But even if all pending maturities were refunded, enormous additional issues of short term bills would be required to continue rearmament and public works at the 1935 tempo. If all savings are utilized for refunding old debts, the continuation of the present pace of credit expansion (the issuance of 600 million marks of bills per month) would ultimately lead to government bills circulating as currency. In that case domestic prices would rise rapidly and an inflation similar to that of the year 1923 would recur, with all its disastrous effects for the saving classes. An alternative would be the abandonment of the entire employment creation program, both for public works and for rearmament. This would lead to a sharp increase in unemployment and a tremendous augmentation of the distress of the working classes, already suffering from low wages. Probably the German Government will try to adopt an intermediary course. The question is whether at a slower pace of credit expansion the dangers of inflation could be avoided and the rise in unemployment averted. Compulsory loans, national sacrifices, and similar expedients of a dictatorial state may prolong the life of the present economic system; but they will not foster the natural recovery which alone would eliminate the necessity of public expenditures.

Whatever decision the German Government may take, Germany is on the verge of a new era. Its essence was clearly stated by a sentence in a recent German newspaper article: "The time has come when it is no longer the State that must help business, but it is business that must help the State."

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TRENDS IN BRITISH ELECTIONS

By Edgar Packard Dean

ON November 14, 1935, the British people went to the polls. When the results were known, it was found that the same National Government had been returned to power which had emerged victorious in the general election of October 1931. The margin of victory was not so great as before. But the Government still had a majority of 247 seats.

Election of October 1931		Election of November 1935	
National Government		*National Government*	
Conservatives (Baldwin)	470	Conservatives (Baldwin)	387
National Liberals (Simon)	35	National Liberals (Simon)	33
Liberals (Samuel)	33	National Labor (MacDonald)	8
National Labor (MacDonald)	13	National Independents	3
National Independents	3		431
	554		
Opposition		*Opposition*	
Labor (Lansbury)	52	Labor (Atlee)	154
Independent Liberals (Lloyd George)	4	Liberals (Samuel)	17
Independents	5	Independent Liberals (Lloyd George)	4
	61	Independent Labor	4
		Independents	4
		Communist	1
			184

For the first time since 1918 the same party has been returned to power at two successive elections. The National (Conservative) Government first assumed office in October 1931. From its predecessor, the Labor Party, it inherited a hardly enviable situation. Yet in four years the Conservatives not only balanced the budget but produced a surplus; and while not eliminating unemployment they did at least decrease it. In the autumn of 1935 they played a preëminent rôle in the dispute between the League of Nations and Italy. They presented an able record; and the electorate endorsed it.

If the Conservatives possessed statesmen, the timing of the election showed that they also possessed politicians. Riding the full tide of their success at Geneva, the Conservatives dissolved parliament on October 25 and called for new elections. The Labor Party, the most important element in the Opposition, was caught unawares. Its leaders had assumed that there would probably be no general election until 1936. They not only lacked an effective panoply of war, but their opponents stole most of their thunder. The domestic policies of the two parties differed in degree but not in kind. In matters of foreign policy, Labor advocated a strong League. The Conservatives not only stood for a strong League: they could claim to have made the League strong. What is more important, Labor seemed to lack a vigorous desire to win. It merely hoped to increase its parliamentary representation by 200 seats. Even here it was disappointed: it gained half this number. Excluding the elections of 1906, 1918, and 1931, no election since 1832 has returned a party by such a tremen-

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dous majority as the National Government has just won. An unusual feature was that former Prime Minister Ramsay MacDonald failed of reëlection. Ex-prime ministers generally are not defeated. To find a comparable situation one has to go back to the defeat of Asquith in 1918. Another party leader, Sir Herbert Samuel, also met with disaster.

The British system of politics is traditionally known as a two-party system. The list of parties in 1931 and 1935 shows that this is true only in a modified sense. The last election which returned two parties, and only two, was that of 1868. With the election of 1874, the Irish Nationalists entered the House of Commons and were consistently returned until the Home Rule settlement of 1922. For half a century they constituted a strong parliamentary bloc occupying some 80 seats. Meanwhile an earlier Home Rule bill had divided the Liberal Party into the Gladstone Liberals and the Liberal Unionists. For a generation, from 1886 until the post-war period, there were at least four parties: Conservatives, Liberal Unionists, Gladstone Liberals, and Irish Nationalists. In 1906 Labor entered the parliamentary ranks to make a fifth. The granting of Home Rule in 1922 reduced the five parties to three: the Irish Nationalists left Westminster in triumph and the Liberals became a unified party.

Thus in 1922 British politics entered a new phase. But the tendency towards greater simplicity was circumvented by the appearance of Labor as a powerful party. During the decade of the twenties British politics suffered the inconveniences engendered by a three-party system. The election of 1931, however, initiated a return to two-party government. For the first time since the war, 85 percent of the Government's forces consisted of one party *and* 85 percent of the Opposition consisted of one party. The tendency begun in 1931 was confirmed by the election of November 1935. In the new House of Commons, 90 percent of the Government seats are held by Conservatives and 84 percent of the Opposition seats by Labor.

With each election it becomes more obvious that the two great political parties are the Conservatives and Labor. The old Liberal Party is gradually disappearing. The reasons are several: there seems no place in the British system for two liberal parties; and a large part of the female electorate, added since 1918, is of a generation accustomed to think of Labor as the anti-Conservative party. A study of the success of the Liberals at the various elections from 1918 to 1935 shows that in respect to both the proportion of seats held in parliament and the proportion of the popular vote obtained, the Liberal Party is declining in strength.

	1918	*1922*	*1923*	*1924*	*1929*	*1931*	*1935*
Percentage of seats held by Liberals	23	19	26	7	10	12	9
Percentage of popular vote won by Liberals	31	27	29	18	23	12	10

As a result of three-cornered and sometimes four-cornered elections, a party's strength in Commons may be greater than the popular vote it receives. Conversely it may receive a high popular vote and hold relatively few seats. To take only the last four elections:

	1924	*1929*	*1931*	*1935*
Percentage of seats held by Government parties	68	47	90	70
Percentage of seats held by Opposition parties	32	53	10	30
Percentage of popular vote won by Government parties	48	37	69	55
Percentage of popular vote won by Opposition parties	52	63	31	45

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It is obvious that a party's fundamental strength should not be judged by the number of seats it holds in Commons. A much better indication is the proportion of the popular vote it receives. In this latter respect, the decline of the Liberal Party is indeed significant.

Although for half a century Britain has not had a two-party system, there has been no urgent demand for proportional representation. The British have been wiser than their neighbors across the Channel. The French have always been preoccupied in devising a system of proportional representation to meet the demands of abstract justice. Whatever the merits of the plan in theory, it has produced unmanageable parliaments in practice. The British system, despite its imperfections, has the substantial merit of functioning smoothly. If at times it functions adversely for a party, at other times it works in its favor. From 1924 to 1935, Labor's popular strength was often greater than its parliamentary strength. On the other hand, from 1900 to 1922 Labor had a parliamentary representation far greater than its popular strength.

The British system has functioned smoothly because, although there were many parties, there has almost always been one unified Government party and one unified Opposition party. In this modified sense, Britain has always had a two-party system. The trend begun in 1931, and confirmed in the recent election, suggests that in a very real way Britain is returning to a two-party system of government.

But the real importance of the election is not its effect on the development of parties. Its greatest significance lies in the realm of international affairs. The National (Conservative) Government seems to have been returned to power not because of its able domestic record but because of its decisive rôle in the dispute between the League of Nations and Italy. A year ago the Conservatives had the domestic recovery of Britain to their credit. Nevertheless, there was a general feeling that if the Conservatives immediately dissolved Parliament and called for new elections they would be defeated. Meanwhile a year elapsed and a major European crisis developed. The Conservatives firmly supported the League in its attempt to solve the crisis by collective action. Their firmness was doubtless inspired by the recent Peace Ballot. In this Ballot more than eleven million votes were cast; over ten million favored the League's imposing sanctions on an aggressor.

The strong League policy of the Conservatives appealed to many groups: to the imperialists who feared that Italy was threatening the life-line of the British Empire; to the big-navy men who saw in the enforcement of League sanctions an excuse for greater armaments; and to those millions of British citizens who see the security of Britain, of the Empire, and of Europe as indissolubly linked with collective action. The many-sided appeal was overwhelmingly successful.

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SOME RECENT BOOKS ON INTERNATIONAL RELATIONS

By William L. Langer

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General: Political and Legal

DOCUMENTS ON INTERNATIONAL AFFAIRS, 1934. EDITED BY JOHN W. WHEELER-BENNETT AND STEPHEN HEALD. New York: Oxford University Press, 1935, 446 p. $10.00.

A valuable annual compilation, becoming more inclusive each year.

PACIFISM IS NOT ENOUGH. BY W. E. RAPPARD AND OTHERS. New York: Oxford University Press, 1935, 286 p. $2.75.

This is the ninth series of volumes under the title "Problems of Peace," published annually under the auspices of the Geneva Institute of International Relations. Among the contributions may be mentioned those of Gooch on nationalism, Rappard and Zimmern on the small states and the large states in the League, Dennery on French foreign policy, Angell on pacifism, an essay on the Chaco War, and studies of world economic problems and the financial aspects of the New Deal.

WAR IN THE MODERN WORLD. BY NEWTON D. BAKER. Boston: Houghton, Mifflin, 1935, 63 p. $1.00.

An address to youth delivered in May at Milton Academy.

DIPLOMATIE UND DIPLOMATEN. BY W. ZECHLIN. Stuttgart: Deutsche Verlagsanstalt, 1935, 230 p. M. 6.50.

A competent outline history of modern diplomatic institutions and procedures.

DAS PROBLEM DES VÖLKERRECHTLICHEN ANGRIFFS. BY WILHELM G. HERTZ. Leyden: Sijthoff, 1935, 183 p. Fl. 3.60.

A technical study of the vital question, what constitutes aggression?

KRIEGSRECHT UND NEUTRALITÄTSRECHT. BY JOSEF L. KUNZ. Vienna: Springer, 1935, 335 p. M. 28.

A scholarly analysis of the problem of neutrality.

THE RATIFICATION OF INTERNATIONAL CONVENTIONS. BY FRANCIS O. WILCOX. London: Allen and Unwin, 1935, 349 p. 12/6.

A fundamental treatment of the problem in theory and practice, with consideration of ways and means to facilitate the process of ratification.

LE PROBLÈME DES PASSEPORTS. BY EGIDIO REALE. Paris: Sirey, 1935, 104 p.

An analysis of a vexed problem of international intercourse.

LA POLITIQUE ET LA JURISPRUDENCE DE LA SOCIÉTÉ DES NATIONS. BY JEAN RAY. Paris: Sirey, 312 p. Fr. 16.

This fourth supplement to a valuable French digest covers the period from January 1933 to January 1935 and takes up such matters as the French treaty with Russia, German rearmament, the relations of the League to American states, etc.

L'OPERA DEI DELEGATI ITALIANI NELLA SOCIETÀ DELLE NAZIONI. Rome: Associazione Italiana per la Società delle Nazioni, 1935, 428 p. L. 25.

The first volume of an important publication which reprints the speeches of Italian delegates to the League. The period covered (1920–1924) includes the Corfu episode.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE COMING WORLD WAR. By T. H. Wintringham. New York: Seltzer, 1935, 257 p. $2.50.

A general survey of the theory and technique of war, followed by discussion of the results of war and the methods of preventing it.

LA LIMITATION DES ARMEMENTS NAVALS. By J. de Goislard de Monssabert. Paris: Domat-Montchrétien, 1935, Fr. 25.

A professional study of the difficulties in the way of limitation.

ZAHAROFF, THE ARMAMENTS KING. By Robert Neumann. London: Allen and Unwin, 1935, 303 p. 10/6.

An illuminating, though somewhat dramatized study of the career and character of the "mystery man," by a well-known German novelist.

VORKRIEGSIMPERIALISMUS. By Wolfgang Hallgarten. Paris: Éditions Météore, 1935, 362 p.

An economic reappraisal of prewar imperialism, especially the German variety.

DIE WELTPOLITISCHE LAGE UNTER KOLONIALEN GESICHTSPUNKTEN. By Paul Schnoeckel. Leipzig: Historisch-Politischer Verlag, 1935, 72 p. M. 2.20.

Primarily a reconsideration of the German need and claims for colonies.

DICTATORSHIP AND DEMOCRACY. By Sir John A. R. Marriott. New York: Oxford University Press, 1935, 231 p. $3.75.

Professor Marriott's effort is to put the problem of democracy and dictatorship into the proper historical perspective. He therefore reëxamines the history of dictatorships from the Greeks down through the ages, asking why they were established, what they accomplished, and what was their function in the broad sweep of human development. This approach leads him to the conclusion that dictatorships may have their uses.

QUACK, QUACK! By Leonard S. Woolf. New York: Harcourt, 1935, 201 p. $2.00.

A keen and provocative writer on world affairs scores some telling blows against the intellectual and political currents that have led to fascism in its various forms. He stakes his all on the ultimate victory of reason.

DICTATORSHIP IN THE MODERN WORLD. Edited by Guy S. Ford. Minneapolis: University of Minnesota Press, 1935, 179 p. $2.50.

Another first-rate book on modern dictatorships, being a collection of seven able essays on various aspects of the subject, with emphasis throughout on the historical development. There are contributions by Max Lerner on the pattern of dictatorship, by Fred Rippy on the dictatorships of Latin America, by H. C. Deutsch on the Hitler dictatorship, and by Hans Kohn on the communist and fascist dictatorial systems.

LES DICTATEURS. By Jacques Bainville. Paris: Denoel and Steele, 1935, 275 p. Fr. 15.

A French reactionary sheds no tears over the end of "the tyrants of democracy."

IN DEFENSE OF DEMOCRACY. By J. S. Fulton and C. R. Morris. London: Methuen, 1935, 212 p. 5/.

A sober discussion of the democratic system, concluding that the faults which certainly exist need not be fatal.

FÜHRER UND FÜHRUNG. By Herbert Kruger. Breslau: Korn, 1935, 201 p. M. 3.60.

An attempt to establish a political theory of leadership. The author draws a distinction between real leadership and mere authoritarianism.

WORLD REORGANISATION ON CORPORATIVE LINES. By Giuseppe de Michelis. London: Allen and Unwin, 1935, 312 p. 10/.

Taking the corporate system as a thing in itself, the writer discusses the desirability and possibility of the extension of the system to the world at large.

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ELECTRONIC REPRODUCTION PROHIBITED

General: Economic

ECONOMIC THOUGHT AND ITS TRADITIONAL BACKGROUND. By H. W. Peck. London: Allen and Unwin, 1935, 379 p. 12/6.

An interesting attempt to put economic thought and its development into the historical and psychological setting.

THE GREAT CHANGE. By Richard T. Ely and Frank Bohn. New York: Nelson, 1935, 373 p. $2.00.

A general review of the economic and social upheaval of recent times.

AN ECONOMIST'S CONFESSION OF FAITH. By Gilbert Jackson. New York: Macmillan, 1935, 182 p. $2.75.

A collection of plain-spoken addresses on various aspects of the world crisis, by a Canadian economist.

L'ÉVOLUTION MONÉTAIRE DANS LE MONDE DEPUIS LA GUERRE DE 1914. By B. Griziotti. Paris: Sirey, 1935, 144 p.

A compact outline of the main course of monetary developments.

ASPECTS OF THE THEORY OF INTERNATIONAL CAPITAL MOVEMENTS. By Carl Iversen. New York: Oxford University Press, 1935, 536 p. $5.00.

A significant contribution to the problem of international trade.

INTERNATIONALE KAPITALBEWEGUNGEN. By Ragnar Nurkse. Vienna: Springer, 1935, 247 p.

The author views the problem of capital movements in the frame of general economic theory of the classical type.

THE UNITED STATES AS A FINANCIAL CENTRE, 1919–1933. By M. F. Jolliffe. New York: Oxford University Press, 1935, 146 p. $2.00.

Primarily an analysis of the balance of payments, with many useful tables.

DIE BANK FÜR INTERNATIONALEN ZAHLUNGSAUSGLEICH. By Kurt Klipstein. Würzburg: Triltsch, 1935, 147 p. M. 3.50.

The author holds that the Bank has failed to grow beyond its function as a centre for reparations.

THE INTERNATIONAL BANKS. By A. S. J. Baster. London: King, 1935, 277 p. 12/6.

An excellent non-technical survey of the history and operations of the London banks whose business is chiefly in foreign countries.

WAR AND THE PRIVATE INVESTOR. By Eugene Staley. New York: Doubleday, 1935, 587 p. $4.50.

A well-documented study of the relations between private investment and international affairs. This very solid volume represents a great deal of spade work in an important field — the extent to which commercial and financial rivalries lead to war.

LA PRODUCTION MONDIALE ET LES PRIX, 1925–1934. Paris: Pedone, 1935, 125 p. Fr. 4.

A purely analytical study, with useful tables, dealing with the most important changes in production, world trade and prices.

ECONOMIC FREEDOM. By Francis W. Hirst. London: Duckworth, 1935, 4/6.

A well-known British economist breaks a lance for the old system — free competition, free markets and private property.

TARIFF POLICY. By O. Paranaguá. New York: Oxford University Press, 1935, 223 p. $2.00.

A Brazilian economist's historical survey of the transition from free trade, with an analysis of modern thought and policy in tariff matters.

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NATIONS CAN LIVE AT HOME. By O. W. Willcox. New York: Norton, 1935, 279 p. $2.75.

An interesting volume, expounding in understandable fashion the achievements of modern agrobiology, which make the assurance of the food supply relatively simple and which thereby should help to remove the tensions resulting from population pressure.

DER KAMPF UM DEN INTERNATIONALEN HANDEL. By Albrecht Forstmann. Berlin: Haude und Spener, 1935, 415 p. M. 14.

An exhaustive survey of international trade in the postwar period.

DIE INTERNATIONALEN EISENVERBÄNDE. By Carl Graeff. Düsseldorf: Nolte, 1935, 106 p. M. 3.80.

A valuable account of international combination in the iron and steel industries. A book of decided interest for the student of international affairs.

LE PÉTROLE ET SON ÉCONOMIE. Paris: Librairie Technique, 1935, 220 p. Fr. 30.

This outstanding volume will go a long way towards displacing existing books on the subject as well as towards debunking much recent sensational literature. In little more than two hundred pages it offers a mine of information on all conceivable aspects of the production and trade in petroleum, each chapter being written by an expert in the subject. Apart from the purely technical chapters, attention should be called to the treatment of the petroleum trusts, of the American codes, of the oil situation in the Far East, etc. The oil markets of the world are fully covered, and separate chapters take up the peculiar problems of the leading countries.

THE AGRICULTURAL CRISIS. By Joseph M. Goldstein. New York: Day, 1935, 257 p. $4.00.

An eminent Russian authority offers an analysis of the situation in the chief agricultural countries of the world and discusses the all-important question of the connection of the agricultural crisis and the industrial depression.

International Relations of the United States

THE UNITED STATES IN WORLD AFFAIRS IN 1934–1935. By Whitney H. Shepardson in collaboration with William O. Scroggs. Published for the Council on Foreign Relations. New York: Harper, 1935, 357 p. $3.00.

This annual survey remains a standard reference work; and it also makes good reading. The subjects treated are by no means limited to "diplomatic history." Three chapters deal with gold and government credit, silver and the price level, and the possibilities of international stabilization. There is a description of the recent trade treaties as an attempt to increase American commerce. Japanese expansion and Philippine independence each receives a chapter. There is a discussion of naval policies and the problem of disarmament. The United States, the League, and neutrality are treated at length in the concluding section. The style is clear and straightforward, the point of view objective. One of the few scholarly surveys of the rôle of the United States in the comity of nations.

THE LIFE AND LETTERS OF WOODROW WILSON: NEUTRALITY 1914–1915. By Ray Stannard Baker. New York: Doubleday, 1935, 421 p. $4.00.

A new view of the first year and a half of American neutrality, by President Wilson's authorized biographer. Many controversies will be revived, and some new ones aroused, less by any new information presented than by the manner of presentation. Among the most interesting matters treated are Colonel House's mission to Europe and Secretary Bryan's attitude toward the limitation of loans to belligerents. The account closes soon after the latter's resignation.

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WAR MEMOIRS OF ROBERT LANSING. Indianapolis: Bobbs-Merrill, 1935, 383 p. $3.50.

An important contribution to the history of American policy during the war period. Lansing's papers leave no doubt that he, personally, was convinced from the start that the United States would eventually have to intervene on the side of the Allies and that he aimed to formulate American policy in accordance with this conviction, despite the fact that Wilson and the government generally had not arrived at that conclusion.

DWIGHT MORROW. By Harold Nicolson. New York: Harcourt, 1935, 425 p. $3.75.

A careful, sometimes brilliant, but on the whole not very interesting biography of the late Ambassador to Mexico. The author's feeling for Dwight Morrow's childhood is authentic; but when he follows his subject into the law and Wall Street he is handicapped by an inevitable lack of knowledge about the practises of pre-war American business life. The chapters on Morrow's service in Mexico and at the London Naval Conference are important to students of foreign affairs.

AMERICAN FOREIGN POLICY IN THE POST-WAR YEARS. By Frank H. Simonds. Baltimore: Johns Hopkins Press, 1935, 171 p. $2.00.

Lectures by a well-known American publicist, dealing topically with American policy, the problems of peace, security and disarmament, and surveying the broad development from Wilson to Roosevelt.

DIE DEUTSCH-AMERIKANISCHEN BEZIEHUNGEN, 1890–1914. By Ilse Kunz-Lack. Stuttgart: Kohlhammer, 1935, 242 p. M. 12.

A scholarly account based on published materials.

FREEDOM OF THE PRESS. By George Seldes. Indianapolis: Bobbs-Merrill, 1935, 380 p. $2.75.

An American journalist's exposure of the seamy side of the American newspaper world. The book is one-sided, but well deserves careful reading.

LAND OF THE FREE. By Herbert Agar. Boston: Houghton, Mifflin, 1935, 313 p. $3.50.

An able and interesting critique of our American business civilization.

GOVERNMENT IN BUSINESS. By Stuart Chase. New York: Macmillan, 1935, 296 p. $2.00.

Like most of the author's books, this new volume is distinguished by its command of the facts and the stimulating character of the argument. He shows how, during and since the war, governments have been forced to go further and further into the domain of business. He analyzes the implications of this development and attempts to find some norm for the relationship of public and private enterprise.

SOCIALIZING OUR DEMOCRACY. By Harry W. Laidler. New York: Harper, 1935, 340 p. $3.00.

The road to American socialism as defined by one of its best-known exponents.

HOLD FAST THE MIDDLE WAY. By John Dickinson. Boston: Little, Brown, 1935, 249 p. $1.75.

The author, at present Assistant Attorney General, stresses the need for the consideration of general human values in the ordering of our economic and social system.

COMMUNISM IN THE UNITED STATES. By Earl R. Browder. New York: International Publishers, 1935, 352 p. $2.00.

A review of the progress of the Communist Party, of its program and policy, by the secretary of the organization.

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The World War

GREAT BRITAIN AND THE GERMAN NAVY. By E. L. Woodward. New York: Oxford University Press, 1935, 524 p. $6.50.

This book has long been needed, for it has been clear for years that the Anglo-German naval problem underlay the whole pre-war antagonism of the two countries. It is fortunate that the enormous task of studying and analyzing this difficult question was undertaken and carried through by a scholar of Mr. Woodward's ability. Making full use of the British, French and German documents, and also of some unpublished materials in the British Foreign Office, as well as of the parliamentary debates and a good deal of newspaper writing, he has traced the development of the Anglo-German rivalry from the passage of the first German naval law in 1898 to the outbreak of the World War. The volume supersedes other partial studies of the subject and ranks as one of the important books on war origins.

DER ALLDEUTSCHE VERBAND. By Lothar Werner. Berlin: Ebering, 1935, 294 p.

A scholarly study of the Pan-German League from 1890 to 1918. A good supplement to the book on the same subject by Mildred Wertheimer.

SARAJEWO. By Wladyslaw Gluck. Cracow: Gebethner, 1935, 229 p.

The author was formerly an Austrian official stationed at Sarajevo. His book is concerned almost entirely with the story of Bosnia and Herzegovina, with the organization and working of the Austrian administration, and with the growth of the national movement. In these respects it is an outstanding contribution, which might well be made available in a western language.

VOORGESCHIEDENIS VAN DE OOSTENRIJK-HONGAARSCHE NOTE AAN SERVIË VAN JULI, 1914. By Jan Verseput. Utrecht: Kemnik, 1935, 235 p.

A detailed analysis of the Austro-Serbian relationship and of the genesis of the 1914 ultimatum. The author's sympathies are pro-Serbian.

GESCHICHTE DES VÖLKERKRIEGES, 1914–1919. By Richard Kralik. Graz: Styria, 1935, 775 p. M. 4.20.

A general history, written from a pronouncedly Catholic-Austrian viewpoint.

INTERNATIONAL SOCIALISM AND THE WORLD WAR. By Merle Fainsod. Cambridge: Harvard University Press, 1935, 250 p. $2.50.

A careful, scholarly treatment of the policies and activities of socialist organizations from August 1914 to March 1919.

M. POINCARÉ ET LA GUERRE. By G. Dupin. Paris: Librairie du Travail, 1935, Fr. 15.

An extremist attack on the late statesman as one of the chief artisans of the war.

HAIG. By Duff Cooper. London: Faber, 1935, 402 p. 25/.

This is the official biography of the British commander, based very largely upon his diaries. While it presents valuable material, it shows little grasp or critical sense.

WAR LETTERS OF GENERAL MONASH. Edited by F. M. Cutlack. London: Angus, 1935, 299 p. 8/6.

Based on the papers of the Australian commander, this is a very instructive picture of the British conduct of the war as it appeared to an outsider.

MEIN LEBEN MIT CONRAD VON HÖTZENDORF. By Gina, Gräfin Conrad von Hötzendorf. Vienna: Gunther, 1935.

An excellent personal appreciation of the Austrian chief of staff, by his wife.

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MOLTKE UND CONRAD. By Konrad Leppa. Stuttgart: Kohlhammer, 1935, 56 p.
A concise study of the relationship of the German and Austrian commands in the summer of 1914.

1914. LE REDRESSEMENT INITIAL. By General de Lardemelle. Paris: Berger-Levrault, 1935, 272 p. Fr. 15.
A technical study of the early operations of the war.

Western Europe

OUR LORDS AND MASTERS. Anonymous. New York: Simon and Schuster, 1935, 389 p. $3.50.
The anonymous author of "American Messiahs" has given this book the subtitle "Known and Unknown Rulers of the World." He thinks they number about two hundred. He characterizes many of them — statesmen, generals and economic magnates — and the forces which they embody. The book has pretentions to being history, but of course is not. It is contradictory in many of its statements and is often based on gossip.

LE DESTIN DES RACES BLANCHES. By Henri Decugis. Paris: Librairie de France, 1935, 402 p.
Enlarges upon the danger to Europe arising from the transformations in the rest of the world, and ends with a plea for European peace and solidarity. An able book.

A HISTORY OF SWEDEN. By Carl Grimberg. Rock Island: Augustana Book Co., 1935, 428 p. $2.50.
A general history text.

LE VRAI VISAGE D'ARISTIDE BRIAND. By Charles Danielou. Paris: Figuière, 1935, 288 p. Fr. 12.
An appreciation by one of Briand's close collaborators.

LA FRANCE ET L'UNION SOVIÉTIQUE. By H. Glovès. Paris: Rieder, 1935, 412 p. Fr. 18.
A solid history of French-Russian relations since the beginning of the war.

GIL ROBLES, MONARQUICO? By J. Cortes Cavanillas. Madrid: San Martin, 1935, pes. 5.
An illuminating though inconclusive study of policies of the Catholic leader.

ENTRE LA LIBERTAD Y LA REVOLUCIÓN, 1930–1935. By José A. Agiré y Lekube. San Sebastian, 1935, 593 p. pes. 6.
Primarily a record of developments in the Basque country.

EL COMUNISMO EN ESPAÑA. By Enrique Matorras. Madrid: Fax, 1935, 188 p. pes. 3.50.
The organization and activity of the communists in Spain since 1931.

HACIA LA SEGUNDA REVOLUCIÓN. By Joaquin Maurin. Barcelona: Gráficos Alpha, 1935, pes. 5.
A communist version of the Republic's failure and the October 1934 rising.

LA REVOLUCIÓN ESPAÑOLA DE OCTUBRE. By Antonio R. Oliviera. Madrid: Espasa, 1935, pes. 5.
A valuable inside view of the socialist aspect of the October revolution.

EL GOBIERNO DE LA GENERALIDAD EN EL BANQUILLO. By Alardo Prats. Madrid: Prieto, 1935, pes. 5.
A documented record of the trial of the leaders of the Catalonian rising of October.

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DISCURSO A LAS JUVENTUDES DE ESPAÑA. By Ramiro L. Ramos. Madrid: Prieto, 1935, pes. 5.

A loyalist appeal to youth for something like a Nazi régime.

UN ÉTAT CORPORATIF. By F. I. Pereira Dos Santos. Paris: Sirey, 1935, 251 p. Fr. 25.

A scholarly account of the political and social régime of Portugal.

MUSSOLINI'S ITALY. By Herman Finer. New York: Holt, 1935, 564 p. $3.75.

This is a good book on the fascist system — scholarly, thoroughly informed and adequately documented. The author has spent much time in Italy, studying the actual working of the present régime and analyzing its strength and weakness. He has much to say of Mussolini that is favorable, but his investigations bring him to the conclusion that the régime has great drawbacks and little promise.

GABRIELE D'ANNUNZIO. By A. Meozzi. Pisa: Vallerini, 1935, 372 p. L. 12.

A biography of the whole spectacular career of the Italian poet and adventurer.

I GIOVANI DI MUSSOLINI. By G. B. Marzialli. Palermo: Trimarchi, 1935, 144 p. L. 4.

A statement of the educational policy and organization of the Fascist régime.

LE CORPORAZIONI FASCISTI. By Luigi Lojacono. Milan: Hoepli, 1935, 341 p. L. 15.

A coöperative work, surveying the entire historical development and the many aspects of the corporative experiment and touching also the possibilities of the system for the world at large.

THE CATHOLIC REVIVAL IN ITALY, 1815–1915. By H. L. Hughes. London: Burns Oates, 1935, 177 p. 6/.

An effort to show an intense revival of Catholic vitality in the past century.

THE ECONOMIC AND FINANCIAL POSITION OF ITALY. New York: Oxford University Press, 1935, 59 p. 85 cents.

A timely bulletin, compiled by the Royal Institute of International Affairs.

L'ITALIA E L'ORIENTE MEDIO ED ESTREMO. Edited by Tomaso Sillani. Rome: Rassegna Italiana, 1935, 352 p. L. 25.

A special volume of the *Rassegna Italiana* containing contributions by some twenty authors, covering the historical, economic, cultural, and religious aspects of Italian penetration in the Middle and Far East.

GESCHICHTE UNSERER ZEIT. By K. S. Galera. Leipzig: Nationale Verlagsgesellschaft, 1935, 404 p. M. 6.

The eighth volume of a large-scale history, covering in great detail the story of the establishment of the *Führerstaat*.

LIKE A MIGHTY ARMY. By George N. Shuster. New York: Appleton-Century, 1935, 286 p. $2.00.

A keen analysis of the religious situation in Germany under the Nazis, by a prominent American Catholic publicist.

HITLERS FRIEDENSPOLITIK UND DAS VÖLKERRECHT. By Heinrich Rogge. Berlin: Schlieffen, 1935, 127 p. M. 2.70.

Chiefly an analysis of the Hitler's programmatic speech of May 1935, with reference especially to the agreements with Poland and with England.

DIE MÄNNER UM HITLER. By Edgar von Schmidt-Pauli. Berlin: Verlag für Kulturpolitik, 1935, 190 p. M. 4.50.

Pen-pictures of surviving members of the small group associated with Hitler in the early days of the Nazi movement.

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THE JEWS IN NAZI GERMANY. New York: American Jewish Committee, 1935, 177 p. 60 cents.

A revised and enlarged edition of an important factual summary regarding the number, occupation, political affiliations, etc., of Jews in Germany before 1933, and of the anti-Jewish measures of the Nazi Government, including extensive quotations from the texts of the relevant laws.

THE BERLIN DIARIES. Edited by H. Klotz. London: Jarrolds, 1935, 288 p. 18/.

The second installment of a well-known account of Hitler's seizure of power. Not entirely convincing.

DIMITROV. By Stella D. Blagoyeva. New York: International Publishers, 1934, 124 p. $1.25.

A propagandist biography of the Bulgarian communist who became world famous through the Reichstag fire trial.

GERMANY'S AIR FORCE. By Otto Lehmann-Russbüldt. London: Allen and Unwin, 1935, 160 p. 3/.

A well-informed indictment of German aims and policy.

KOLONIEN ODER NICHT? By Heinz W. Bauer. Leipzig: Bauer, 1935, 51 p. M. 1.60.

A semi-official statement of Germany's colonial aims.

GERMANY'S FOREIGN INDEBTEDNESS. By C. R. S. Harris. New York: Oxford University Press, 1935, 131 p. $2.00.

An authoritative monograph, covering roughly the period since 1931.

GRUNDFRAGEN DEUTSCHER WIRTSCHAFTSPOLITIK. By Paul Hovel. Berlin: Springer, 1935, 192 p. M. 4.50.

The author reviews the attempt to cure Germany's economic ills and stresses the importance of national planning in the program for the future.

L'ORGANISATION ÉCONOMIQUE ET SOCIALE DU IIIe REICH. By A. Tillmann. Paris: Sirey, 1935, 284 p. Fr. 35.

An analysis of economic and social legislation since the advent of Hitler.

GRUNDZÜGE EINER NATIONAL-ORGANISCHEN AUSSENHANDELSPOLITIK. By Manfred Schreiber. Jena: Fischer, 1935, 206 p. M. 8.

A theoretical study, aimed at discrediting the liberal system and emphasizing the idea of self-sufficiency.

LE PLÉBISCITE DE LA SARRE. By G. Passe. Paris: Domat-Montchrétien, 1935, Fr. 30.

A dispassionate history of the Saar question and plebiscite.

DONAURAUM . . . SCHICKSALSRAUM. By Rolf Brandt. Hamburg: Hanseatische Verlagsanstalt, 1935, 96 p. M. 2.

A report on affairs in Central Europe with emphasis on war dangers.

DOLLFUSS, AN AUSTRIAN PATRIOT. By Johannes Messner. London: Burns Oates, 1935, 199 p. 6/.

A general biographical sketch with much stress on Dollfuss's hopeless efforts to create an Austrian mentality as apart from a German.

ÖSTERREICHS ERNEUERUNG. By Kurt Schuschnigg. Klagenfurt: Carinthia, 1935, 180 p. Sh. 1.

A collection of Schuschnigg's speeches.

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LA CONDITION INTERNATIONALE DE L'AUTRICHE. By J. Basdevant. Paris: Sirey, 1935, 299 p. Fr. 30.

A thorough analysis of the position of Austria and of international agreements touching the country, by an eminent French jurist.

Eastern Europe

LA MER BALTIQUE ET LES ÉTATS BALTES. By H. Vitols. Paris: Domat-Montchrétien, 1935, Fr. 40.

A general descriptive work of high order.

LATVIA, COUNTRY AND PEOPLE. By R. O. G. Urch. Riga: Walters und Rapa, 1935.

An historical survey, with emphasis on the postwar period. Though not very critical, the book is informative.

LA LETTONIE NOUVELLE. By I. Moreins. Riga: Livonia, 1935, 76 p.

A concise history of the postwar period, with some discussion of the main economic and cultural issues.

POLEN. By Johannes Ahlers. Berlin: Zentralverlag, 1935, 207 p. M. 4.20.

The basic problems of the new Poland, from the Polish standpoint, but with an effort at objective analysis.

Z DRIEJOW DAWNYCH I NAJNOWSZYCH. By Waclaw Lipinsky. Warsaw: Wojskowy Instytut, 1934, 466 p.

A collection of essays on various subjects, including the history of Polish socialism during the war, the records of the Polish legions, etc.

PILSUDSKI, MARSHAL OF POLAND. By E. J. Patterson. London: Arrowsmith, 1935, 144 p. 5/.

A good biography by an English authority on Poland.

JOSEF PILSUDSKI. By Waclaw Lipinski. Essen: Essener Verlagsanstalt, 1935, 79 p. M. 1.80.

A character sketch, by a man closely associated with Pilsudski.

LA POLOGNE DE PILSUDSKI. By Raymond Recouly. Paris: Éditions de France, 1935, Fr. 15.

The career of the great soldier and statesman, painted against the background of the Polish problem by a prominent French journalist.

LA TRAGÉDIE DE DANTZIG. By Jean Paul Garmer. Paris: Nouvelle Revue Française, 1935, 276 p. Fr. 25.

A survey of the Danzig problem, with emphasis on recent events.

OUT OF MY PAST. By Count Kokovtsov. Stanford University: Stanford University Press, 1935, 615 p. $5.50.

These memoirs of the former Russian Finance Minister and Prime Minister appeared a couple of years ago in Russian. This English translation is to be warmly welcomed, for Kokovtsov's account of developments from 1903 to 1918, both in domestic and foreign policy, is easily one of the most important sources for the study of prewar Russia — much more detailed and much more reliable than the well-known memoirs of Witte. It is, in fact, a book that no student of European affairs can afford to neglect. This American edition by H. H. Fisher is supplied with valuable explanatory notes.

TWENTY YEARS IN UNDERGROUND RUSSIA. By Cecilia Bobrovskaya. New York: International Publishers, 1934, 227 p. 85 cents.

The plain, sober memoirs of a rank-and-file Bolshevik of long standing.

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HISTOIRE DE LA RUSSIE COMMUNISTE. By G. Welter. Paris: Payot, 1935, 224 p. Fr. 18.

The author before the war taught at the University of Moscow. This little history of Russia since 1917 is particularly good for tracing the process of Bolshevization.

STALIN. By Henri Barbusse. New York: Macmillan, 1935, 315 p. $3.00.

A translation of the last work of the late French radical. Barbusse knew Stalin perhaps as well as any outsider, and his biography is most illuminating.

THE SOVIET UNION AND WORLD PROBLEMS. Edited by Samuel Harper. Chicago: Chicago University Press, 1935, 254 p. $2.50.

A most interesting collection of Harris Foundation Lectures, delivered last summer. Perhaps the outstanding contribution is that by the Soviet Ambassador in Washington on "The Basic Principles of Soviet Foreign Policy." The essays by Vladimir Romm on geographic tendencies in the Soviet Union and by Kohn on the nationality policy are also noteworthy. A large part of the book is devoted to documents, charts and maps.

BOLSCHEWISTISCHE WELTMACHTPOLITIK. By Alfred Normann. Berne: Gotthelf, 1935, 287 p. M. 10.

A well-documented exposé of the plans and activities of the Third Internationale, published in connection with Soviet Russia's admission to the League.

L'UKRAINE CONTRE MOSCOU. By Alexandre Choulgine. Paris: Alcan, 1935, 222 p. Fr. 15.

An émigré account of the struggle between the Ukraine and Moscow in 1917.

FROM PETER THE GREAT TO LENIN. A HISTORY OF THE RUSSIAN LABOUR MOVEMENT. By S. P. Turin. London: King, 1935, 229 p. 9/.

This is a valuable book which fills an important gap in the history of recent Russian developments. The author, relying very largely upon Russian materials, gives a systematic account of the labor movement, with special reference to the prewar period, thus throwing much light on the evolution of the workers' councils and soviets.

THE RUSSIAN FINANCIAL SYSTEM. By W. B. Reddaway. London: Macmillan, 1935, 106 p. 5/.

A monograph based in large measure on interviews with officials of the state bank.

SOVIET TRADE FROM THE PACIFIC TO THE LEVANT. By Violet Conolly. New York: Oxford University Press, 1935, 238 p. $3.75.

This volume continues the author's "Soviet Economic Policy in the East." It covers the trade with Japan, China, India, Egypt and Iraq, and is done in the same thorough, scholarly fashion. Special attention should be called to an excellent chapter on the Chinese Eastern Railway, and also to the documents and bibliography.

50 LET EDVARDA BENEŠE. Prague, 1935, 354 p.

Essays, by a host of writers, to celebrate the fiftieth birthday of the Czech statesman. They cover almost every aspect of his career and policy.

LA TCHÉCOSLOVAQUIE. By André Tibal. Paris: Colin, 1935, 223 p. Fr. 10.50.

An admirable survey of economic and social problems, including a chapter on the racial minorities and an estimate of the country's position in Central Europe.

GRAF STEFAN TISZA. By G. Erényi. Vienna: Tal, 1935, 395 p. M. 8.50.

The German translation of a standard life of the eminent Hungarian statesman.

THAT BLUE DANUBE. By John D. E. Evans. London: Archer, 1935, 249 p. 7/6.

A study of Hungarian revisionism and of Hungary's exploitation by the governing class. A rather harsh and unsympathetic treatment.

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NOS AMIS LES HONGROIS. By P. Delattre. Paris: Figuière, 1935, Fr. 12.
A general descriptive account of the land and its people, with much emphasis on the importance of Hungary as a bulwark of Catholicism.

BORBA ZA NARODNO UJEDINENJE. By Jovan Jovanovič. Belgrade: Geza Kon, 1935, 150 p.
A history of Serbia during the World War, by a well-known politician and diplomat.

DAS KÖNIGREICH SÜDSLAWIEN. By Gerhard Gesemann. Leipzig: Noske, 1935, 262 p.
A cultural and political survey, the most interesting part being a consideration of German interests and influence in Jugoslavia.

CHI SONO QUESTI JUGOSLAVI? By N. Pascazio. Rome: Nuova Europa, 1935, 493 p. L. 20.
A general descriptive work.

PORTRAIT DE LA ROUMANIE. By Georges Oudard. Paris: Plon, 1935, 258 p. Fr. 15.
A survey by an able and stimulating French political writer.

The British Commonwealth of Nations

DOWN THE YEARS. By Sir Austen Chamberlain. London: Cassell, 1935, 324 p. 15/.
A most interesting collection of miscellaneous reminiscences about important events, among which may be mentioned especially the outbreak of the war, the fall of the Asquith government, and the signature of the Irish treaty.

LOOKING BACKWARDS — AND FORWARDS. By George Lansbury. London: Blackie, 1935, 243 p. 8/6.
These recollections of the well-known labor leader have relatively little to do with politics, but they give a rare picture of social development in modern England.

THE RESTORATION OF ENGLAND'S SEAPOWER. By Captain Bernard Acworth. London: Eyre, 1935, 305 p. 6/.
A new edition of the author's "The Navy and the Next War," with several new chapters on air power and sea power, the Anglo-German naval agreement, etc.

BRITAIN'S AIR POLICY. By Jonathan Griffin. London: Gollancz, 1935, 250 p. 5/.
An examination of present policy, with suggestions for future developments.

THE GROWTH OF FASCISM IN GREAT BRITAIN. By W. A. Rudlin. London: Allen and Unwin, 1935, 141 p. 3/6.
Written in a radical vein on the theme of fascism as the last resort of capitalism.

PRACTICAL SOCIALISM FOR BRITAIN. By H. Dalton. London: Routledge, 1935, 410 p. 5/.
A discussion of British Labor Party policy by one of its officials.

WE DID NOT FIGHT. Edited by Julian Bell. London: Cobden-Sanderson, 1935, 416 p. 7/6.
Essays by Sir Norman Angell, Bertrand Russell, Siegfried Sassoon and other objectors on their experience during the war.

L'ÉVOLUTION ÉCONOMIQUE DE LA GRANDE-BRETAGNE DEPUIS L'ABANDON DE L'ÉTALON-OR. By J. Pouzin. Paris: Sirey, 1935, 333 p. Fr. 35.
A scholarly study of British economic developments since 1931.

THE FORWARD VIEW. By L. S. Amery. London: Bles, 1935, 16/.
Outlines of a future imperial policy, by the former secretary for the dominions.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

GOVERNMENTS OF THE BRITISH EMPIRE. By A. Berriedale Keith. London: Macmillan, 1935, 646 p. 21/.

A systematic survey, by an outstanding authority.

FACING THE IRISH QUESTION. By W. S. Armour. London: Duckworth, 1935, 271 p. 5/.

A review of the history of the Irish question, followed by a very critical account of Ulster's position and policy.

LE CONFLIT ANGLO-IRLANDAIS. By R. Gallopin. Paris: Sirey, 1935, 146 p. Fr. 20.

An impartial analysis of Anglo-Irish relations since the treaty of 1921.

MACKENZIE KING. By Norman McLeod Rogers. New York: Nelson, 1935, 212 p. $1.50.

The public career of Canada's present Prime Minister.

A PLANNED NATIONALISM. By E. S. Bates. Toronto: Macmillan, 1935, 171 p. $2.00.

A critique of the Canadian recovery program and the Bennett régime.

INDIA. By H. H. Dodwell. London: Arrowsmith, 1935, 2 v. 7/.

An excellent addition to the "Modern States" series, written by one of the leading historians of India.

THE FACE OF MOTHER INDIA. By Katherine Mayo. New York: Harper, 1935, $3.50.

Distressing pictures and emphatic text.

INDIA'S NEW CONSTITUTION. By J. P. Eddy and F. H. Lawton. London: Macmillan, 1935, 250 p. 6/.

A systematic analysis and exposition of the Act.

The Near East

THE TURKISH TRANSFORMATION. By Henry E. Allen. Chicago: University of Chicago Press, 1935, 251 p. $2.50.

This is an excellent survey of the social revolution in Turkey, based on an intimate acquaintance with a scattered literature and on personal experiences. The author deals in detail with the religious problem.

THE MAKING OF MODERN IRAQ. By Henry A. Foster. Norman: University of Oklahoma Press, 1935, 319 p. $4.00.

This valuable addition to the literature on the Near East in recent times presents a thoroughly documented account of the war and postwar periods, with stress on the Mosul problem, the British mandate and the general constitutional development. There is a very full bibliography.

Africa

THE JURISTIC STATUS OF EGYPT AND THE SUDAN. By Vernon A. O'Rourke. Baltimore: Johns Hopkins Press, 1935, 184 p. $1.50.

A timely reconsideration of a complicated problem, but one which suffers somewhat from lack of clarity in definition.

ETHIOPIA. A PAWN IN EUROPEAN DIPLOMACY. By Ernest Work. New York: Macmillan, 1935, 366 p. $2.50.

A useful book for the present crisis. The author was for a time an adviser of the Ethiopian Government. He devotes his attention here almost exclusively to the more remote background of the present dispute.

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ELECTRONIC REPRODUCTION PROHIBITED

MEASURING ETHIOPIA AND FLIGHT INTO ARABIA. By Carleton S. Coon. Boston: Little, Brown, 1935, 342 p. $2.50.

The experiences of an American anthropologist in Ethiopia and on the Red Sea.

ABYSSINIA ON THE EVE. By Ladislas Farago. New York: Putnam, 1935, 296 p. $3.50.

A valuable book on present-day Ethiopia by a German correspondent. The volume contains a mass of information on conditions and personalities, in fact almost all that the average person needs to know.

THE REAL ABYSSINIA. By C. F. Rey. London: Seeley, 1935, 291 p. 10/6.

The author, a British official, has had much experience of the country and has written about it before. A sympathetic and satisfactory survey.

MUSSOLINI OVER AFRICA. By F. A. Ridley. London: Wishart, 1935, 144 p. 3/6.

A critical account of Italian policy in Africa, followed by a violent indictment of Mussolini's aims and procedure.

ABESSINIEN, DAS PULVERFASS AFRIKAS. By Friedrich Wencker-Wildberg. Düsseldorf: Bagel, 1935, 100 p. M. 1.50.

A good general study of the background and causes of the present crisis.

ABESSINIEN, DAS LETZTE UNGELÖSTE PROBLEM AFRIKAS. By Anton Zischka. Leipzig: Goldmann, 1935, 272 p. M. 4.80.

An historical and descriptive treatment, with good material on the economic side and a useful bibliography.

LE DRAME ÉTHIOPIEN. By Henry de Monfreid. Paris: Grasset, 1935, 300 p. Fr. 15.

An interesting French account by a man many years resident in Ethiopia.

FROM RED SEA TO BLUE NILE: A THOUSAND MILES OF ETHIOPIA. By Rosita Forbes. New York: Furman, 1935, 386 p. $3.50.

First published in 1925, but still a timely description of the people and country of Ethiopia where things change exceedingly slowly.

LE GUERRE E LA POLITICA DELL'ITALIA NELL'AFRICA ORIENTALE. By G. Bernasconi. Milan: Prora, 1935, 200 p. L. 12.

A vigorous defense of Italy's policy in East Africa.

The Far East

LA CHINE DANS LE MONDE. By Jean Marques-Rivière. Paris: Payot, 1935, Fr. 20.

A competent review of the Chinese Revolution since 1912, with a discussion of the penetration of western influences and of Russian and Japanese policy.

MY COUNTRY AND MY PEOPLE. By Lin Yutang. New York: Reynal and Hitchcock, 1935, 382 p. $3.00.

One of the most important and satisfactory books yet written in English on the character, life and philosophy of the Chinese people. It is filled with the fine reasonableness of the Oriental outlook.

THE MANCHURIAN ARENA. By F. M. Cutlack. Sydney: Angus, 1935, 76 p. 2/6.

Valuable as a presentation of the Australian viewpoint, which holds that Japan had better be in Manchuria than in some other places.

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JAPAN'S POLICIES AND PURPOSES. By Hirosi Saito. Boston: Marshall Jones, 1935, 241 p. $2.50.

Recent addresses and writings of the Japanese Ambassador to the United States, touching upon many aspects of the Manchurian question and Japan's relations to the League and to the United States.

GEFAHRLICHER OSTEN. By Ernst Otto Hauser. Leipzig: Niehans, 1935, 150 p. M. 3.80.

A review of the policies of the various powers in the Far East, followed by proposals for a pacific settlement of claims and aspirations.

JAPAN IN CRISIS. By H. de Vere Redman. London: Allen and Unwin, 1935, 223, p. 6/.

A collection of letters on the crisis of 1931–1935, the upshot of which seems to be that Japan is all right if you give her what she wants.

JAPAN ALS WELTINDUSTRIEMACHT. By Ernst Schultze. Stuttgart: Kohlhammer, 1935, 2 v., M. 32.

An exhaustive and valuable sociological study of the development of Japanese economy, especially of Japan's position as an exporter.

INDOCHINE, S. O. S. By Andrée Viollis. Paris: Nouvelle Revue Française, 1935, Fr. 15.

An analysis of the political situation in Indo-China and French policy there.

MALAYAN SYMPHONY. By W. Robert Foran. London: Hutchinson, 1935, 288 p. 18/.

A balanced survey of Malaya, Siam, Java and Sumatra, by a discerning journalist.

Latin America

CUBA AND THE UNITED STATES, 1900–1935. By Russell H. Fitzgibbon. Menasha: Banta, 1935, 311 p. $3.00.

Refreshingly free from any particular thesis, this book aims to give a straightforward account of the history of American-Cuban relations. It is very well documented and contains an unusually full bibliography.

COSTA RICA AND CIVILIZATION IN THE CARIBBEAN. By Chester L. Jones. Madison: University of Wisconsin Press, 1935, 172 p. $1.50.

A scholarly study of the conditions, problems and possibilities of one of the Central American States. It should help considerably towards an accurate understanding of the present situation in the Caribbean.

UN SIGLO DE RELACIONES INTERNACIONALES DE MEXICO. Mexico City: Ministry of Foreign Affairs, 1935, 453 p.

A collection of the messages of the Mexican presidents during the past century as they reflected the foreign problems of the republic.

DIE NATIONALINDUSTRIEN SÜDAMERIKAS. By Alfred Schneider. Hamburg: Ibero-Amerikanisches Institut, 1935, 88 p.

A compact collection of economic material on the A. B. C. countries.

DIE WIRTSCHAFTS- UND VERKEHRSPROBLEME IM MODERNEN BRASILIEN. By Heinrich Jonen. Berlin: Author, 1935, 167 p.

The book is intended to introduce Germans to the problems of Brazil and to bring to their notice the opportunity and need for foreign investment.

CHILE FRENTE AL SOCIALISMO Y COMMUNISMO. By Mario Bravo Lavin. Santiago: Ercilla, 1934, 191 p. Pes. 12.

A discussion of the labor problem in Chile.

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SOURCE MATERIAL

By Denys P. Myers

PUBLIC DOCUMENTS OFFICIALLY PRINTED

Documents may be procured from the following: *United States:* Gov't Printing Office, Superintendent of Documents, Washington, D. C. *Great Britain:* British Library of Information, 270 Madison Ave., New York. *France:* Gerda M. Anderson, 12 Ave. Ernest Reyer, Paris XIV^e^. *League of Nations, Int. Labor Office, Perm. Court of Int. Justice* and *Int. Institute of Agriculture:* World Peace Foundation, 40 Mt. Vernon St., Boston. Washington imprints are Government Printing Office and London imprints are His Majesty's Stationery Office, unless otherwise noted. Since 1928 a list of Government documents has been printed in the *Monthly List of Books Catalogued in the Library of the League of Nations.*

ARCHIVES

GUIDE International des Archives. Europe. Paris [1935] viii, 393 p. 22½ cm. (Société des nations, Institut International de Coopération Intellectuelle.)

ASSYRIANS OF IRAQ

SETTLEMENT of the Assyrians of Iraq. Report of the Committee of the Council on the Settlement of the Assyrians of Iraq in the Region of the Ghab. (French Mandated Territories of the Levant.) Geneva, 1935. 37 p., map. 33 cm. (League of Nations, C. 352. M. 179. 1935. VII. 12.)

COLLECTIVE SECURITY

CONFÉRENCE Générale sur la Sécurité Collective Londres. Paris, 1935. iii, p. 217–324. 22½ cm. (League of Nations, Coopération Intellectuelle, 53–54.)

ECONOMIC RELATIONS, INTERNATIONAL

ECONOMIC COMMITTEE. Remarks on the Present Phase of International Economic Relations. Geneva, 1935. 52 p. 27 cm. (League of Nations, C. 344. M. 174. 1935. II. B. 11.)

WORLD ECONOMIC Review, 1934 [with lists of general references]. Washington, 1935. vi, 350 p. il. Paper, 30 cents.

WORLD ECONOMIC Survey, Fourth Year 1934–35. Geneva, 1935. 310 p. 24 cm. (League of Nations, 1935. II. A. 14.)

WORLD PRODUCTION and Prices 1925–1934. Geneva, 1935. 146 p. 27 cm. (League of Nations, 1935. II. A. 15.)

FACTS and Figures. Production, Trade and Prices To-Day. Geneva, 1935. 13 p. 19½ cm. (League of Nations Questions 2.)

ETHIOPIA—ITALY

DISPUTE between Ethiopia and Italy. Request by the Ethiopian Government. Memorandum by the ITALIAN Government on the Situation in Ethiopia. I. Report. Geneva, 1935. 63 p. map. 33 cm. (League of Nations, C. 340. M. 171. 1935. VII. 11.)

— II. Documents. Geneva, 1935. 161 p. incl. photos. 33 cm. (League of Nations, C. 340 (a). M. 171 (a). 1935. VII. 13.)

— Photographs (Annex to Vol. II-Documents). Geneva, 1935. 22 p. 26 cm. (League of Nations, C. 340 (b). M. 171 (b). 1935. VII. 14.)

DISPUTE between Ethiopia and Italy. Request of the Ethiopian Government. REPORT by the Committee of Five to the Council. Geneva, 1935. 8 p. 33 cm. (League of Nations, C. 379. M. 191. 1935. VII. 15.)

DISPUTE between Ethiopia and Italy. Request by the Ethiopian Government. REPORT of the Council under Article 15, paragraph 4, of the Covenant submitted by the Committee of the Council on October 5, and adopted by the Council on October 7, 1935. Geneva, 1935. 23 p. 33 cm. (League of Nations, C. 411 (1). M. 207 (1). 1935. VII. 16.)

Note. — The adoption of this report by the Council on October 7, 1935, is recorded in the seventh meeting of the 89th session of the Council. The proceedings following the finding that Article 16 of the Covenant was applicable to Italy began in the 14th plenary meeting of the 16th ordinary session of the Assembly on October 9 and were continued by the Co-ordination Committee provided for by the Assembly.

FRANCE — DIPLOMATIC RELATIONS

DOCUMENTS Diplomatiques Français (1871–1914). 3^e^ Série (1911–1914). Tome VIII (11 Août–31 Décembre 1913). Paris, Imprimerie Nationale, 1935. xliv, 912 p. 27½ cm. (Ministère des Affaires Étrangères, Commission de Publication des Documents Relatifs aux Origines de la Guerre de 1914.)

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HOTELS AND INNS

DRAFT Uniform Law Respecting the Liability of Innkeepers. Roma, La Libreria dello Stato, 1935. 26 p. 31 cm. (League of Nations, International Institute of Rome for the Unification of Private Law, Draft II.)

Submitted to governments for their observations.

LABOR

INTERNATIONAL Labour Conference. Draft Conventions and Recommendation adopted by the Conference at its Nineteenth Session June 4–25, 1935 (Authentic Texts). [Geneva, 1935] 46 p 32 cm.

LEAGUE OF NATIONS

RESOLUTIONS adopted by the Assembly during its Sixteenth Ordinary Session (September 9 to October 11, 1935). Geneva, 1935. 34 p. 24½ cm. (League of Nations, *Official Journal*, Special Supplement No. 137.)

REPORT of the Committee appointed to study the Constitution, Procedure and Practice of Committees of the League of Nations. Geneva, 1935. 6 p. 33 cm. (League of Nations, A. 16. 1935. Gen. 3.)

REPORT on the Work of the League since the Fifteenth Session of the Assembly. Part II. Geneva, 1935. 70 p. 33 cm. (League of Nations, A. 6 (a). 1935. Gen. 4.)

ANNEX to the Report on the Work of the Council and the Secretariat to the Sixteenth Ordinary Session of the Assembly of the League of Nations. RATIFICATION OF AGREEMENTS and Conventions concluded under the Auspices of the League of Nations. Sixteenth List. Geneva, 1935. 122 p. 33 cm. (League of Nations, A. 6 (a). 1935. V. Annex. 3.)

RATIFICATION of International Conventions concluded under the Auspices of the League of Nations. RESULTS of the Fifth Enquiry addressed by the Secretary-General to the Governments under the Assembly's Resolution of October 3, 1930. Geneva, 1935. 32 p. 33 cm. (League of Nations, A. 17, 1935. V. 4.)

MERCHANDISING

DRAFT of an International Law of the Sale of Goods. Roma, La Libreria dello Stato, 1935. 120 p. 31 cm. (League of Nations, International Institute in Rome for the Unification of Private Law, Draft I.)

Submitted to governments for their observations.

MUNITIONS CONTROL

[The documents listed below constitute recorded parts of the antecedent history of the neutrality resolution of August 31, 1935, Public Res. No. 67, 74th Cong., 1st sess., which was enacted from S. J. 173. Arrangement is chronological after the first item.]

INTERNATIONAL traffic in arms, laws and regulations administered by the Secretary of State governing the international traffic in arms, ammunition, and implements of war. Washington, 1935. 19 pages. (State Department) 5 cents.

Munitions industry, hearings, 73d Congress, pursuant to S. Res. 206, to make certain investigations concerning manufacture and sale of arms and other war munitions, Dec. 13 [–21], 1934. Washington, 1935. pts. 13–17, [xix], 2903–4518 p. il. 2 pl. [Part 13 relates to profiteering, government contracts and expenditures during World War, including early negotiations for Old Hickory contract, pt. 14 to Old Hickory contract, pt. 15 to Old Hickory contract and industrial organization in war (examples in World War and plans for next war), pts. 16–17 to industrial organization in war (examples in World War and plans for next war).] Paper, pts. 13 and 16, each 20 cents., pts. 14 and 17, each 25 cents., pt. 15, 30 cents.

SHIPBUILDING. Munitions industry, naval shipbuilding, preliminary report pursuant to S. Res. 206 (73d Congress), to make certain investigations concerning manufacture and sale of arms and other war munitions; [submitted by Mr. Nye]. Washington, 1935. iii, 389 p. 3 pl. (S. rp. 944, 74th Cong. 1st sess.) Paper, 30 cents.

WAR. Munitions industry, preliminary report on wartime taxation and price control, pursuant to S. Res. 206 (73d Congress), to make certain investigations concerning manufacture and sale of arms and other war munitions; [submitted by Mr. Nye]. Washington, 1935. iv. 164 p. il. 5 pl. (S. rp. 944, pt. 2, 74th Cong. 1st sess.) Paper, 15 cents.

WAR. Prevent profiteering in war, report to accompany H. R. 5529 [to provide revenue and facilitate regulation and control of economic and industrial structure of the Nation for successful prosecution of war]; submitted by Mr. Sheppard for Mr. Logan. May 13, calendar day June 14, 1935. 43 p. (S. rp. 889, 74th Cong. 1st sess.) Paper, 5 cents.

— To prevent profiteering in war, hearings before subcommittee, 74th Congress, 1st session, on H. R. 5529, to prevent profiteering in time of war and to equalize burdens of war and thus provide for national defense, and promote peace, May 25 (23) and 31, 1935. Washington, 1935. ii, 66 p. Paper, 10 cents.

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NEUTRALITY. American neutrality policy, hearings, 74th Congress, 1st session, on H. R. 7125, to prohibit making of loans or extension of credit to Government or national of any nation engaged in armed conflict, unless United States is engaged in such conflict as ally of such nation, and H. J. Res. 259, to define national policy of peace and neutrality, to prohibit certain transactions with belligerent nations, to protect American sovereignty, and for other purposes, June 18 and July 30, 1935. Washington, 1935. iii, 68 p. Paper, 10 cents.

ARMS. National munitions act, hearings, 74th Congress, 1st session, on H. R. 8788, to control trade in arms, ammunition, and implements of war, statement by Joseph C. Green [and others], July 16–18, 1935. Washington, 1935. ii, 42 p. [H. R. 8788 establishes the National Munitions Control Board.] Paper, 5 cents.

NATIONAL MUNITIONS ACT, report to accompany H. R. 8788 [to control trade in arms, ammunition, and implements of war]; submitted by Mr. Johnson of Texas. July 22, 1935. Washington, 1935. 4 p. (H. rp. 1602, 74th Cong. 1st sess.) [H. R. 8788 establishes the National Munitions Control Board.] Paper, 5 cents.

PROHIBIT MAKING OF LOANS or extension of credit to Government or national or any nation engaged in armed conflict, unless United States is engaged in such conflict as ally of such nation, report to accompany H. R. 7125; submitted by Mr. Kloeb. July 22, 1935. Washington, 1935. 2 p. (H. rp. 1558, 74th Cong. 1st sess.) (Corrected print.) Paper, 5 cents.

ARMS. PROHIBITION of export of arms and war munitions, report to accompany S. J. Res. 173 [providing for prohibition of export of arms, ammunition, and implements of war to belligerent countries, prohibition of transportation of arms, ammunition, and implements of war by vessels of United States for use of belligerent states, for registration and licensing of persons engaged in business of manufacturing, exporting, or importing arms, ammunition, or implements of war, and restricting travel by American citizens on belligerent ships during war]; submitted by Mr. Pittman. July 29, calendar day Aug. 20, 1935. 4 p. (S. rp. 1419, 74th Cong. 1st sess.) [S. J. Res. 173 establishes the National Munitions Control Board.] Paper, 5 cents.

— Prohibition of export of arms and war munitions, report to accompany S. J. Res. 173 (providing for prohibition of export of arms, ammunition, and implements of war to belligerent countries, prohibition of transportation of arms, ammunition, and implements of war by vessels of United States for use of belligerent states, for registration and licensing of persons engaged in business of manufacturing, exporting, or importing arms, ammunition, or implements of war, and restricting travel by American citizens on belligerent ships during war); submitted by Mr. McReynolds. Aug. 22, 1935. 3 p. (H. rp. 1883, 74th Cong. 1st sess.) [S. J. Res. 173 establishes the National Munitions Control Board.] Paper, 5 cents.

NATIONAL PUBLIC WORKS

ORGANISATION for Communications and Transit. Enquiry on National Public Works. Addendum. Geneva, 1935. 226 p. 27 cm. (League of Nations, C. 482. M. 209. 1934. VIII. Addendum. 1935. VIII. 3.)

PAN AMERICAN CONFERENCE

SEPTIMA conferencia internacional Americana. Actas y antecedentes con el Indice general. Montevideo, 1933. Various pagings. 34 cm.

The final edition of these proceedings.

PAYMENTS — TRADE

ANGLO-GERMAN Payments Agreement together with an Exchange of Letters between the Representatives of the Government of the United Kingdom of Great Britain and Northern Ireland and of the Government of the German Reich (with further Exchange of Letters of November 12, 1934), Berlin, November 1, 1934. London, 1935. 18 p. 24½ cm. (Treaty Series No. 26 (1935) Cmd. 4963.) 3d.

EXCHANGES of Notes between His Majesty's Government in the United Kingdom and the ITALIAN Government regarding Trade and Payments, Rome, April 27, 1935. London, 1935. 12 p. 24½ cm. (Treaty Series No. 24 (1935) Cmd. 4960.) 2d.

Operation of this arrangement was suspended by reason of the United Kingdom's acceptance of Proposal No. II of the Coördination Committee.

ANGLO-ROUMANIAN Payments Agreement (with annex), London, August 3, 1935. London, 1935. 7 p. 24½ cm. (Roumania No. 2 (1935) Cmd. 4976.) 2d.

POLLUTION OF SEA BY OIL

ORGANISATION for Communications and Transit. Pollution of the Sea by Oil. Geneva, 1935. 32 p. 33 cm. (League of Nations, A. 20. 1935. VIII. 5.)

PRESS SERVICES, GOVERNMENT

GOVERNMENT Press Services. Practical Information published in response to requests from the Conferences of Government Press Bureaux and of Press Representatives held at Copenhagen

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in 1932 and at Madrid in 1933. Geneva, 1935. 45 p. 20 cm. (League of Nations, Information Section.)

RAILWAYS

ORGANISATION for Communications and Transit. Juridical and Administrative Systems in Force on the Frontier Sections of Railway Lines and at Junction Stations. Geneva, 1935. 160 p. 24 cm. (League of Nations, C. 144. M. 75. 1935. VIII. 2.)

ADVISORY and Technical Committee for Communications and Transit. Permanent Committee for Transport by Rail. Report of the Committee on its Eighth Session, held at Geneva from May 28th–31st, 1935. Geneva, 1935. 27 p. 30 cm. (League of Nations, C. 293, M. 156. 1935. VIII. 6.)

REFUGEES

NANSEN INTERNATIONAL Office for Refugees (Under the Authority of the League of Nations). Report of the Governing Body for the Year Ending June 30th, 1935, on the Russian, Armenian, Assyrian, Assyro-Chaldean, Saar and Turkish Refugee Problems. Geneva, 1935. 25 p. 33 cm. (League of Nations, A. 22. 1935. XII. B. 1.)

TRADE AND COMMERCE

RECIPROCAL Trade. Agreement between the United States of America and HAITI. Signed at Washington, March 28, 1935. Washington, 1935. 20 p. 23 cm. (Executive Agreement Series, No. 78.) 5 cents.

EXCHANGE of Notes between His Majesty's Government in the Union of South Africa and the GERMAN Government amending the Treaty of Commerce and Navigation of September 1, 1928, Pretoria, October 13, 1932. London, 1935. 4 p. 24½ cm. (Treaty Series No. 25 (1935) Cmd. 4961.) 1d.

AGREEMENT between the Government of the United Kingdom and the POLISH Government in regard to Trade and Commerce (with Protocol and Notes), London, February 27, 1935. London, 1935. 81 p. 24½ cm. (Treaty Series No. 33 (1935) Cmd. 4984.) 1s. 3d.

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